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The archbishop of Canterbury, the Most Rev. Robert Runcie, viewing the fire damage to the York Minster.

Ving of York Cathedral s Destroyed by Blaze

The Associated Press
YORK, England — A fire on Monday gutted a 760-year-old cathedral in Britain, causing an estimated £1 million in damage. Police said lightning probably started the blaze.

The fire collapsed the roof of the cathedral, which dates from 1220, and covered one of the cathedral's greatest collection of medieval stained glass with heavy black soot, but apparently did not destroy it.

Firefighters saved the 200-foot central tower of the cathedral, which is the largest in England. Authorities said they hoped to reopen the cathedral by the end of the week.

Charles Brown, the cathedral's architectural consultant, estimated the cost of damage to the cathedral at £1.3 million.

The fire started above the south door and spread through wooden rafters of the stone building, formally known as the Cathedral of St. Peter. Built between 1220 and 1470, it is second to Canterbury in the Anglican church.

Chief Ralph Ford said 150 firefighters from the northern city of Yorkshire fought the fire for three hours before they were under control at 5:24 A.M. Teams with 20 fire trucks, still hosing down smoldering timbers six hours after the fire started.

The fire was extremely hot and extremely smoky. Mr. Ford said he had to imagine such a high being smoke-logged, but it was working a lot of taking a fireman from all the smoke and fire coming their way.

The fireman was hospitalized. A transept, one of the arms of cross-shaped Gothic cathedral, opened to the sky after the fire, leaving a range of rubble and twisted timbers.

Untrained helpers, churchgoers and policemen worked with many minister's 200 staff members at the wreckage.

The archbishop of Canterbury, the Most Rev. Robert Runcie, led the 65 million-member world Anglican communion, toured the cathedral. "It seems miraculous that it could be so confined, that it is confined within the walls of the roof."

Plans to check the unroofed vaults, where valuable and church relics were stored, were postponed.

Brown made an initial estimate of the Rose Window, the huge stained glass window, and said the panes could be saved. But he said the gable in the window "has been weakened by the force of the fire."

Rich of England officials said could launch a public appeal for funds for restoring the transept.

Yorkshire's assistant chief, Frank Morrill, said a fire of children were near the cathedral late Sunday and "one of the group said they were lighting dancing along the transept."

Alice spokesman said the fire was sounded by an auto-link between the cathedral and county fire brigade headquarters in Northallerton, 30 miles to the north.

The dean of York, the Rev. Ronald Jasper, went into the cathedral and carried out some valuables before the danger of fire forced them to leave their efforts.

Third World's Poor Slip Into Europe

Thousands of Illegal Immigrants Overstay Visas and Their Welcome

By James M. Markham
New York Times Service

BERLIN — Tamil tea pickers from Sri Lanka, war-weary Kurds from Beirut, unemployed Ashantis from upcountry Ghana, teen-agers smuggled out of Iran to evade the draft, Pakistani drug dealers: a human tide from the Third World flows into West Berlin. So do Poles, Czechoslovaks and other refugees from Eastern Europe.

On special discount fares from Aeroflot, the Soviet airline, and Lot, the Polish airline, the travelers from underdeveloped Third World nations fly in groups into East Berlin's Schoenefeld Airport and, without visas, are admitted to East Germany.

In a matter of hours, they take the subway to West Berlin, open the city, where they report to the police, seeking political asylum.

But the thousands who reach West Berlin, with an automatic claim on the indulgence of the West German welfare state, are but one current of a wider flow of poor, hungry and persecuted immigrants who are crashing the gates of Western Europe.

As in the United States, police and immigration officials have no precise idea of how many illegal aliens filter yearly into Western Europe and take up residence. But, harried by overextended welfare budgets, rising crime and a will of xenophobia in the political atmosphere, governments are trying to stem the tide.

With the possible exception of Britain, which as an island has a certain advantage, the countries of Western Europe have not been particularly successful in closing the doors on illegal immigrants. Until the European economies went into

a slump, cheap foreign labor had been welcome.

"Things have changed, and what was perfectly acceptable in the past is now a burden," commented Jan van Hoogstraaten, who heads the Bonn office of the Intergovernmental Committee for Migration. "But in Europe we haven't reached the situation in the United States. There's no comparison with that, 1,000-a-day across the southern borders of the United States."

The main entryways to Western Europe are its airports, which yearly draw thousands of "tourists" from the Third World, who overstay their visas, find menial jobs and settle into precarious existences.

Charter flights bring people in bulk. Last year, after 1,000 Iranians arrived in one day at Madrid's airport, the Spanish government enacted a regulation requiring Iranians to have visas, choking off one easy entry point to Western Europe.

A minority of illegal immigrants arrive by more exotic and arduous routes. Many Moroccan workers start in Gibraltar and find their way north through Spain. Christian Assyrians often flee Iraq by foot across Turkey and slip into Greece over the Evros River. Indians sometimes jump ship in Rotterdam. Professional human smugglers frequently slip Zairians who have landed in Brussels across the French border at night.

Once in Western Europe, the immigrants tend to move from south to north, from the poorer and more tolerant Mediterranean countries to the more prosperous welfare states like West Germany and France, which also happen to be

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The first airliner to land in Beirut in five months touched down Monday. It carried 102 passengers from Jeddah.

Beirut Airport Reopens But Protests Block Access

New York Times Service

BEIRUT — Demonstrations by families of kidnapped Lebanese paralyzed Beirut on Monday and forced the airport to close only a few hours after it had been reopened.

As they protested, the senior Libyan diplomat in Lebanon was kidnapped. Police said Mohammed al-Faijouri, the chargé d'affaires, was seized by gunmen near the embassy in a southern suburb of the capital.

[Libyan diplomats reported they had received an anonymous telephone call shortly after Mr. Faijouri's abduction. The Associated Press reported from Beirut. The caller said a group called the Sadr Brigades was responsible for the kidnapping, police said.]

On June 23, the Libyan consul, Mohammed Moughraby, was kidnapped by gunmen at his hotel in West Beirut. He was later freed by members of the Shiite Muslim militia, Amal.

The Sadr Brigades claimed responsibility for that kidnapping. They demanded that Libya issue a statement about the fate of Imam Moussa Sadr, the spiritual head of Lebanon's Shites, who disappeared six years ago after a visit to Libya.

Black smoke hung over Beirut on Monday as protesters blocked the main streets and all crossing points between Moslem West Beirut and the Christian East with blazing rubber tires, fallen trees and iron bars.

Women and teen-agers in West Beirut burned old furniture in the middle of thoroughfares, disrupting traffic. In some cases, they forced motorists to abandon their cars and run. Some vehicles had their windshields smashed by women wielding clubs.

The Lebanese Army took over West Beirut last Wednesday to enforce a peace plan drawn up by the government of Prime Minister Rashid Karami and the rival militias.

Reopening gateways between the two halves of the capital and reactivating the airport and seaport have been a main feature of the plan that has now been disrupted by the protesters for the second day in succession.

The Lebanese airline, Middle East Airlines, flew in the first plane carrying passengers since the airport closed five months ago.

Its 102 passengers, arriving from Jeddah, were promised an escort to their homes by units of the Lebanese Army and police.

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TOMORROW

■ At 36, Israel still has to resolve basic questions over what kind of society it should be.

Shultz Warned By Malaysian On Supporting China Growth

By Bernard Gwertzman
New York Times Service

KUALA LUMPUR, Malaysia — Malaysia's prime minister told the U.S. secretary of state, George P. Shultz, on Monday that the United States was unwittingly endangering the security of Southeast Asian countries by enthusiastically supporting China's program of economic modernization. Malaysian and American spokesmen said.

Reflecting Malaysia's historic suspicion of China's motives, Prime Minister Mahathir bin Mohamad rejected Mr. Shultz's argument that an economically strong China would be a stable China that served the interests of world peace, according to Mon Jamaluddin, the acting secretary-general of the Foreign Ministry.

"We reiterated our concern," Mr. Mon said, "that China continues, in our mind, in the long run to be a threat to the region and we expressed the hope that the United States would take into account the concern of small countries on the periphery of China."

Malaysia and Indonesia are known to be particularly worried about the sale of U.S. military equipment to China, but Mr. Mahathir did not raise this issue directly, his spokesman and the U.S. spokesmen said.

Mr. Mahathir told Mr. Shultz that "a prosperous China, a more economically advanced China, would be equally a militarily strong China," Mr. Mon said. "It could then revert to the policies of hegemony" which have always been a serious concern in this part of the world.

The dialogue between Mr. Mahathir and Mr. Shultz was reported in detail by the spokesmen from the two sides. It provided an unusual look behind the scenes into how friendly countries like the United States and Malaysia can have such diverging perspectives on a range of issues, including economic policy and even the admittance of Malaysian students into Ivy League colleges.

Mr. Shultz arrived here Monday from Hong Kong and goes on to Singapore on Tuesday. On Wednesday he will fly to Jakarta and take part in the annual meeting of the Association of Southeast Asian Nations before heading home via Australia, New Zealand and Hawaii.

According to Mr. Mon, Mr. Mahathir complained that two-way trade was progressing "very slowly and not quite satisfactorily" despite assurances he received when he was in Washington in January. The prime minister also said continuing high interest rates in the United States were also hurting Malaysia's growth by diverting funds.

A senior U.S. aide said Mr. Shultz replied that while governments can encourage trade, it was

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2 Reprimands Reported For U.S. Envoy to Pope

By Ronald J. Ostrow
and Don A. Schanche
Los Angeles Times Service

WASHINGTON — The ambassador to the Vatican, William A. Wilson, has been chastised by the Department of Justice and has alarmed his superiors at the State Department because of his personal intervention in two highly sensitive international criminal investigations, administration officials say.

Mr. Wilson is a close friend of President Ronald Reagan and the nature of the two cases — those of the Most Rev. Paul C. Marcinkus, the "Vatican's banker" and Marc Rich, a fugitive financier — have raised fears among administration officials that his actions could represent a source of embarrassment for the administration.

Administration sources say that Mr. Wilson's actions are being examined by the State Department's Bureau of European Affairs. But department spokesmen declined to comment.

In the Marcinkus case, administration officials said that Mr. Wilson wrote a letter in 1982 on behalf of the archbishop to Attorney General William French Smith, a longtime friend and fellow member of Mr. Reagan's "kitchen cabinet" of close advisers.

When he wrote the letter, Mr. Wilson, a Los Angeles developer and rancher who has been co-trustee of the legal trust that has managed Mr. Reagan's private assets since 1973, was the president's unpaid personal envoy to the Holy See.

Mr. Wilson named Mr. Wilson ambassador in January and the Senate confirmed him in March when the United States established full diplomatic relations with the Holy See.

In an interview in Rome, Mr. Wilson drew a distinction between the time he was the president's unpaid envoy and the period after his confirmation as ambassador.

"You must realize that as a personal envoy of the president, I was not a paid employee of the government," he said. "I was free to carry on my own business as I saw fit."

The American-born Archbishop Marcinkus has come under scrutiny by Italian authorities over his and the Vatican bank's involvement in events that led in 1982 to the collapse of the \$1.2-billion Banco Ambrosiano. The archbishop, as president of the Vatican bank, issued "letters of patronage" to Roberto Calvi, the Ambrosiano president. Mr. Calvi's body was found hanging from a bridge in London in June 1982.

Mr. Wilson apparently was seeking to determine the status of any U.S. inquiries and to vouch for the archbishop, a source said.

In Mr. Wilson's letter, which bypassed usual Department of Justice screening processes allegedly because of the writer's friendship with Mr. Smith, he expressed his faith in the archbishop, according to an of-



William A. Wilson

fused comment as did Mr. Webster, the FBI director.

Mr. Wilson's involvement in the Rich case also drew a warning, which was contained in a telegram sent last Dec. 12 by Lawrence S. Eagleburger, who was then under-secretary of state.

Mr. Rich, a commodities trader, renounced his U.S. citizenship and went to Switzerland in July 1983, shortly before he was indicted in a major tax evasion case and on charges of racketeering and fraud.

In the interview, Mr. Wilson would say only that he had "reported in full to Larry Eagleburger" after a meeting with Mr. Rich.

Mr. Eagleburger, who is now president of Kissinger Associates, former Secretary of State Henry A. Kissinger's consulting company, declined to comment.

Review of U.S. Relations Is Threatened by Greece

The Associated Press

ATHENS — A Greek government spokesman said Monday that Greece would review its ties with the United States if Washington continued "attempts to intervene in our country's domestic policies."

"Greece conducts policies that serve our country's national interests and isn't going to yield to direct or indirect pressures from a country that overruns Turkey, thus increasing the threat against Greece and Cyprus," the spokesman, Dimitri Maroudas, said.

His remarks came a day after a U.S. Embassy spokesman said that plans for Greece to buy U.S.-made F-5 jet fighters from Norway had been dropped.

A Greek newspaper, which reported the freeze on sales last week, attributed the action to U.S. irritation with the policies of the Socialist government. U.S. officials have said the planes might go to Turkey, Greece's arch-rival.

"Greek-American relations will have to be reviewed in their entirety if the United States continues its attempts to intervene in our country's domestic policies," Mr. Maroudas said.

He was referring to criticism last month by U.S. officials who said Greece had released a Jordanian suspected of involvement in a plot to use suitcase bombs to blow up international jetliners.

A Central Intelligence Agency officer who allegedly broke into an Athens apartment in connection with the case was asked by Greece to leave the country.

A conservative Athens daily, Messimerini, reported last week that the United States had blocked sales of second-hand U.S. military aircraft to Greece because of anti-U.S. attitudes.

The New York Times and The Washington Post said the F-5s would probably be sold to Turkey. Messimerini said Greece's ambassador to the United States, George Papoulias, was summoned to the State Department on June 26.

It said they ranged from unhappiness with Greece's refusal to condemn the Soviet downing of a South Korean jetliner in September to Prime Minister Andreas Papandreu's opposition to deployment of NATO missiles in Europe and his description of the United States as the "Mecca of imperialism."

Turner Sets Election for September, Postponing Queen's Canadian Tour

Compiled by Our Staff From Dispatches

OTTAWA — Prime Minister John Turner, in office only nine days but untested by the post, on Monday set Sept. 4 as the date for a general election. He said he needed a new mandate to deal with high unemployment and such economic problems as high interest rates and the declining dollar.

At a news conference, Mr. Turner said the election forced the postponement of a visit by Queen Elizabeth II to Canada, which had been scheduled for July 14 to 27, in accord with the queen's policy of not visiting a country during elections.

Instead, the queen will visit Sept. 24 to Oct. 7.

The election will not interfere with the planned visit of Pope John Paul II beginning Sept. 9.

Mr. Turner, 55, was sworn in as prime minister on June 30 following his election June 16 as Liberal Party leader, succeeding Pierre Elliott Trudeau who had held power for almost 16 years.

"I sense that the people want and should have a choice to clear the air," Mr. Turner said. He added

that he wanted a "clear and fresh mandate."

Mr. Turner handed in his government's resignation to Governor General Jeanne Sauvé and sought her approval to dissolve the second session of the 32d Parliament and issue the election writ.

The new leader is riding a crest of favorable polls. In the latest Gallup survey, his Liberal Party led the Progressive Conservative Party 48 percent to 37 percent. The leftist New Democratic Party was favored by 11 percent.

In the February 1980 election, when Mr. Trudeau led the Liberals back to power after the brief Tory government of Joe Clark, the Liberals polled 44 percent to 32 percent for the Progressive Conservatives and 20 percent for the New Democrats.

Mr. Turner flew to London on Friday, met with Prime Minister Margaret Thatcher for lunch, then dined with Queen Elizabeth and Prince Philip.

The two-week royal tour of New Brunswick, Ontario and Manitoba had been scheduled to begin Saturday. Some Liberals were concerned that the cancellation might upset devoted monarchists, but David Smith, minister of state for small business and tourism, said Monday he did not believe the party would be hurt.

"I think people will understand that a new prime minister requires a mandate," he said.

Mr. Turner, who clashed with Mr. Trudeau and quit as finance minister in 1975, does not have a seat in Parliament. He has said he will run in a district in British Columbia, one of three western provinces where the Liberals were shut out in 1980.

Brian Mulroney, 45, leader of the Progressive Conservatives, is expected to contest a seat in his native Quebec, where the Liberals won 74 of the 75 districts in the last election.

The efforts by the two party leaders to break into opposition strongholds raise the possibility that both the Liberals and the Conservatives could emerge from the election with broad national support for the first time in decades.

(UPI/AP)

Compromise Reached on European Jet

5 States to Build Fighter To Compete With U.S.

United Press International
MADRID — Five European nations signed an agreement in principle Monday to build a tactical jet fighter to compete with U.S. jets for contracts by 1995.

Defense ministers from Spain, France, Britain, West Germany and Italy, meeting at the Spanish Army headquarters in Madrid, also compromised on an engine design for the single-seat, twin-engine fighter, which will now be called the Agile Combat Aircraft, or ACA.

Defense Ministers Charles Hernu of France, Giovanni Spadolini of Italy, Manfred Wörner of West Germany, Michael Heseltine of Britain and Narcis Serra of Spain signed the agreement in principle, ratifying a basic agreement reached in Cologne in December by the chiefs of their air forces.

The project is partly intended to lessen NATO's dependence on U.S. military technology.

The agreement provides for a six-month technical and industrial study of how best to build the fighter and calls for the ministers to meet again in Rome in March to review the findings.

The study is expected to consider which country will have design leadership in the project.

Another disputed point — whether the engine should derive from the European Tornado fighter-bomber as preferred by the British and West Germans, or be a new design as preferred by the French — was settled by the ministers. They compromised, deciding that a new engine design was needed but that it should be compatible with the next generation of Tornados.

The design will be determined in the six-month study.

West German and British industry spokesmen have repeatedly said that, because of the lower costs involved, they wanted the plane to be equipped with a derivative version of the RB-199, which is used in the twin-engine Tornado. It is manufactured jointly by Rolls-Royce of Britain and the MTU engine company of West Germany and Fiat Aviazione of Italy.

French officials had urged that the plane have a totally new engine. They said they have the ideal candidate, the M-88, which is being developed by SNECMA, France's state-owned engine manufacturer. This engine will be used in a demonstration model built by Dassault-Breguet that is to be tested in 1986.

The ACA, according to initial projections, would supplement and eventually replace existing fighters such as the American F-4 Phantom by the 1990s.



The defense ministers of Italy, West Germany, Spain, France and Britain, in Madrid on Monday after announcing they had agreed in principle on the European fighter jet.

Prosecution Likely in Nigeria Case, British Minister Tells Parliament

By Michael Getler
Washington Post Service

LONDON — The British foreign secretary, Sir Geoffrey Howe, told Parliament on Monday that criminal charges were likely to be brought soon in connection with the attempt last week to kidnap the Nigerian transport minister.

The former official, Umaru Dikko, was drugged, taken to the airport and placed in a crate labeled diplomatic baggage.

At the same time, Sir Geoffrey pushed closer to a potential diplomatic confrontation with the military rulers of Nigeria by reporting to Parliament that British police also wanted to question members of Nigeria's High Commission, or embassy, about the kidnapping attempt.

The Nigerian high commissioner, Major General Haldun Hananija, was called Monday to the British Foreign Office for the second time since the episode began Thursday. According to Sir Geoffrey, he was told that a reply was required to the request for questioning of members of the commission.

Mr. Dikko fled to London last year after the Nigerian Army removed the civilian government of his brother-in-law, Alhaji Shehu Shagari. Mr. Dikko has been described as the "most wanted man"

by Nigeria's new rulers, who claim he is guilty of corruption.

Sir Geoffrey would not be more specific about the criminal charges, but it was expected that they would focus on four persons arrested at the airport Thursday. Mr. Dikko was found there in a crate addressed to Nigeria's External Affairs Ministry.

It has been widely reported in London that two of the four were mercenaries either from Israel or recruited by an Israeli organization, and that the other two are Nigerians without diplomatic status. Under questioning in Parliament, Sir Geoffrey said there was no evidence of Israeli government involvement.

In his statement Monday, Sir Geoffrey said it was necessary to question Nigerian diplomats because of the presence at Stansfeld airport Thursday of at least one member of the Nigerian High Commission staff and vehicles from the high commission.

The British government has been careful not to directly accuse the Nigerian government of involvement. However, if the investigation concludes there was such involvement, Sir Geoffrey said Moody there was "no question of diplomatic niceties standing in the way" of strong British action.

The Nigerian government has consistently denied a role, but Sir

Geoffrey said there still has been insufficient reason given by the Nigerians for detaining a British jetliner and its crew in Lagos immediately after it was learned that the kidnapping had been blocked.

Sir Geoffrey said that another strong protest was made Monday about the conditions under which 222 passengers of the British jetliner were held for more than 12 hours in Lagos and the detention, incommunicado, of the plane's crew for even longer.

The episode has caused considerable anger in London, especially in the aftermath of the shooting in April of a London policeman by someone from inside the Libyan Embassy.

Nigerian officials in London can refuse to answer questions if they have diplomatic immunity. However, the authority to waive that immunity for purposes of questioning can be granted locally by the Nigerian high commissioner.

Sir Geoffrey did not say what measures Britain would take if Nigerian government involvement were indicated by the police report.

However, officials said a variety of options, including expulsion of diplomats, were available and had been studied. There was general speculation that London would not go so far as to break diplomatic relations with its former colony.

WORLD BRIEFS

Kuwaiti Defense Chief Visits Moscow

MOSCOW (Combined Dispatches) — Kuwait's defense minister, Sheikh Salem al-Sabah, arrived in Moscow on Monday for a 10-day visit during which he is expected to seek supplies of anti-aircraft equipment and other military hardware.

Official sources in Kuwait said that he would sign a \$327-million arms deal to buttress defenses against further Iranian attacks on Arab oil shipping in the Gulf. The deal, the sources said, includes mainly surface-to-air missiles, surface-to-surface missiles, armored vehicles and other unspecified types of military hardware.

The United States refused last month to provide Kuwait with shoulder-fired Stinger anti-aircraft rockets. Western diplomats in Moscow said they expected the Soviet Union to be sympathetic to Kuwait's needs.

They said the Soviet Union would be anxious to please Kuwait, the only member of the conservative six-nation Gulf Cooperation Council to have diplomatic ties with Moscow, in enhance its image in the region. Middle Eastern diplomats said the Soviet Union's long-term aim was to establish relations with Saudi Arabia. They said Moscow regarded good links with Kuwait as a vital step in that direction.

Chinese Journal Criticizes Moscow

BEIJING (Reuters) — China accused the Soviet Union on Monday of growing more hostile and stubborn. It said the two countries could never recover their past friendship.

Writing in the latest edition of the official Beijing Review, two political commentators, Zi Xu and Wang Jing, criticized Soviet support for Vietnam and questioned whether Chinese-Soviet relations had improved. The article appeared shortly after Deputy Foreign Minister Qiao Qichen, a key figure in Chinese-Soviet normalization talks, returned from a trip to Moscow and reported no progress.

"It is unrealistic and impossible for Chinese-Soviet relations to return to what they once were in history," Mr. Wang wrote. The two countries split in 1960. "Slanders and attacks launched against China are part of an escalating anti-China propaganda campaign by the Soviet Union," Mr. Zi said, adding: "Moscow's sincerity in normalizing Chinese-Soviet relations will be judged by its actions."

ASEAN Issues Cambodia Statement

JAKARTA, Indonesia (AP) — Six non-Communist Southeast Asian countries called again Monday for an end to Vietnam's military occupation of Cambodia.

The statement was issued by the foreign ministers of Indonesia, the Philippines, Malaysia, Singapore, Brunei and Thailand at the opening of the 17th annual meeting of the Association of Southeast Asian Nations. It said that, for more than five years, ASEAN and the international community "have called upon Vietnam to cease its military occupation" of Cambodia.

The statement said that "the primary objectives of such a settlement are the exercise of the inalienable right of self-determination by the Kampuchean (Cambodian) people and the restoration of the independence, sovereignty and territorial integrity of Kampuchea."

EC Ministers Discuss Spending Limits

BRUSSELS (Reuters) — Finance ministers of the European Community met Monday to discuss imposing strict limits on community spending, a key condition of the deal struck recently to end a fight over Britain's budget payments.

Diplomats said Britain was expected to urge its partners to make a quick decision on tighter rules for community cash management so that the accord reached at last month's Fontainebleau summit meeting could be submitted for approval to national parliaments, a process expected to take about a year.

Government leaders at the meeting agreed to increase the ceiling on the value added tax that the community can raise from member countries from 1 percent to 1.4 percent by Jan. 1, 1986. The executive commission has said it will need the new funds by October 1985. However, the diplomats said they did not expect Monday's talks to resolve the issue.

British Dockers Called Out on Strike

LONDON (Reuters) — Leaders of Britain's dockers called Monday for a national strike starting at midnight to protest management moves to get iron ore to a steel plant whose supplies were running low because of the 17-week-old coal mine strike.

A committee of Britain's biggest union, the Transport and General Workers Union, called the dockers out to protest the state-owned British Steel Corp.'s using nonregistered dockers to move ore for a steel plant at Scunthorpe. Union dockers supporting the coal strike had refused to handle the ore.

Eight hours of union-management talks on the coal strike, which was called to protest the closings of uneconomic pits, ended Monday without agreement. Further talks were scheduled for July 18.

Russian Reportedly Seeking Asylum

MILAN (AP) — A Soviet film director, Andrei Tarkovsky, has decided to seek political asylum in the West, a Roman Catholic organization announced Monday.

A spokesman for the Milan-based Movimento Popolare said the 51-year-old director would announce his decision at a news conference Tuesday. The spokesman said Mr. Tarkovsky had decided "to give up Soviet citizenship after useless efforts to get a regular authorization for working abroad."

The spokesman said Mr. Tarkovsky and his wife, Larissa, who have lived in Italy for 18 months, wanted to settle in the United States. Mr. Tarkovsky's "Andrei Rublyov" has been widely acclaimed; his "Nostalghia" and "Solaris" won prizes at the Cannes film festival.

Lambsdorff Now Figures in Tax Probe

BONN (AP) — Former Economics Minister Otto Lambsdorff, who has been indicted on bribery charges, remains under investigation for tax irregularities, the Bonn prosecutor's office confirmed Monday.

A prosecutor's spokesman confirmed the charge after Der Spiegel magazine said Mr. Lambsdorff was being investigated for allegedly helping campaign contributors evade a total of \$1.3 million in taxes on political donations.

On July 2 the Bonn district court charged Mr. Lambsdorff with accepting \$50,000 from the Flick industrial group for helping arrange \$175 million in tax waivers.

Conference Opens on Africa Refugees

GENEVA (Reuters) — The United Nations secretary-general, Javier Perez de Cuellar, opened an international conference Monday that will discuss solutions to the problems of refugees in Africa and support for the economies of host countries.

He said the second International Conference on Assistance to Refugees in Africa came at a time of crisis that was far graver than when the first conference was held three years ago.

He said that the main task for representatives of 80 states at the meeting would be to help the African countries that have received about four million refugees. The three-day conference will examine about 130 projects submitted by 16 countries to help them combat socio-economic problems caused by the refugees. The proposals would require more than \$362 million in international aid.

For the Record

The movie sets for Dracula and Frankenstein were destroyed in a fire Sunday at the Hammer studios outside London. Eleven days ago a fire caused severe damage at the neighboring Pinewood studios where the James Bond films were made. (Reuters)

Rebels of the Mozambican National Resistance said in a communiqué Sunday in Lisbon that they killed 143 government soldiers, wounded 119 and captured 37 in operations June 22 to 30. (Reuters)

Ten Polish tourists defected during a bus trip through West Germany, the police said Monday. The Poles, nine adults and a child, were on their way to France when they failed to reboard the bus after rest stops Saturday, the police said. (UPI)

At least 18 more Chinese have been executed for crimes ranging from rape to murder, according to posters outside the Beijing municipal court aimed at smashing what it called a wave of violent crime. (AP)

Nine striking Philippine textile workers were struck by bullets and dozens of other workers and policemen hurt Monday as about 200 police broke up a picket line. The policemen clashed with a group of strikers at the Arrex Development Co. in Manila's northern suburbs. (AP)

The Barcelona territorial court agreed Monday to try the nationalist Catalan president, Jordi Pujol, and 24 others on embezzlement and forgery charges in their management of Banca Catalana, a regional bank that collapsed in 1982. (Reuters)

French nuclear testing at Mururoa atoll in the South Pacific has not increased cancer rates among the people of the area but has caused structural damage to the atoll, according to a three-nation investigation released Monday. Scientists from New Zealand, Australia and Papua-New Guinea visited the atoll in October. (Reuters)

Gerry Adams, head of Sinn Féin, the political front of the IRA, has been refused an entry visa by the United States because of its support for the guerrilla campaign against British rule in Northern Ireland, American officials said Monday. (Reuters)

Third World's Poor, Persecuted Slip Unwelcomed Into Europe

(Continued from Page 1)
the places where the outsiders have become especially resented. In France, the 11 percent showing of the extreme rightist National Front in last month's European elections was partly attributed to a growing antipathy for immigrants.

One of the easiest access to Western Europe is West Berlin, which is surrounded by East Germany, 110 miles (176 kilometers) from the West German frontier. Its status as a free and open city under the protection of the United States, France and Britain means that it cannot shut its doors to anyone coming from East Germany.

Making an exception to its strict entry procedures, the East German authorities turn a blind eye to the thousands of Third World travelers who land in Schönefeld en route to West Berlin, knowing they will become an extra burden on the city's capitalist system.

By demanding asylum from political persecution, however dubious their cases, the new arrivals guarantee themselves lodging in hostels, three meals a day, pocket money and, usually, a protracted stay while the courts resolve their claims.

"Everything is OK. Everything is very good," said Baladran Thillai-

balam, a newly arrived 52-year-old Tamil from Sri Lanka, taking his lunch with two companions at a refugee hostel in West Berlin. "They are very kindly giving us clothes and they are serving us very well. We like this hotel."

Mr. Thillaihalam, who said he had worked as a printer in Jaffna, said that his reason for leaving his homeland was "political, political."

West Berlin's Interior Ministry, asserting that 90 percent of those seeking political asylum make fraudulent claims, takes a dim view of its population of 18,000 asylum-seekers. Officials say that networks in places like Ghana and Sri Lanka orchestrate the flow of immigrants, swelling the city's prostitute and drug-dealing underworld.

Like other countries, West Germany has tightened its laws on political asylum and now bans immigrants seeking asylum from obtaining work permits during their first two years in the country. These measures produced a drop in the number of applicants for asylum from 107,818 in 1980 to 19,773 last year, 5,198 of whom were allowed to stay.

But court appeals, independent court rulings and a long-standing policy of not expelling anyone from an East European Communist

country mean that only about 70 percent of those denied asylum are actually deported, according to the Interior Ministry in Bonn. The ministry estimates that about 300,000 candidates, turned down in their request for asylum, now live permanently in West Germany.

In January, to the consternation of the Interior Ministry, a court in Münster ruled that "collective state persecution" of Tamils existed in Sri Lanka, implying that none could be denied asylum. Within months, about 1,200 Tamils arrived at Schönefeld and took the subway to West Berlin.

From West Berlin, officials say, immigrants seeking asylum have little difficulty obtaining forged passports, enabling them to travel to West Germany. Once inside Western Europe, they move easily from country to country. "There are no borders in Europe anymore," said an official in France.

In the summer of 1981, President François Mitterrand's government sought to regulate the situation of the estimated 400,000 illegal aliens in France by offering an amnesty.

About 150,000 responded, most of them from France's former colonies in northern Africa, and 131,000 were accepted as legal resi-

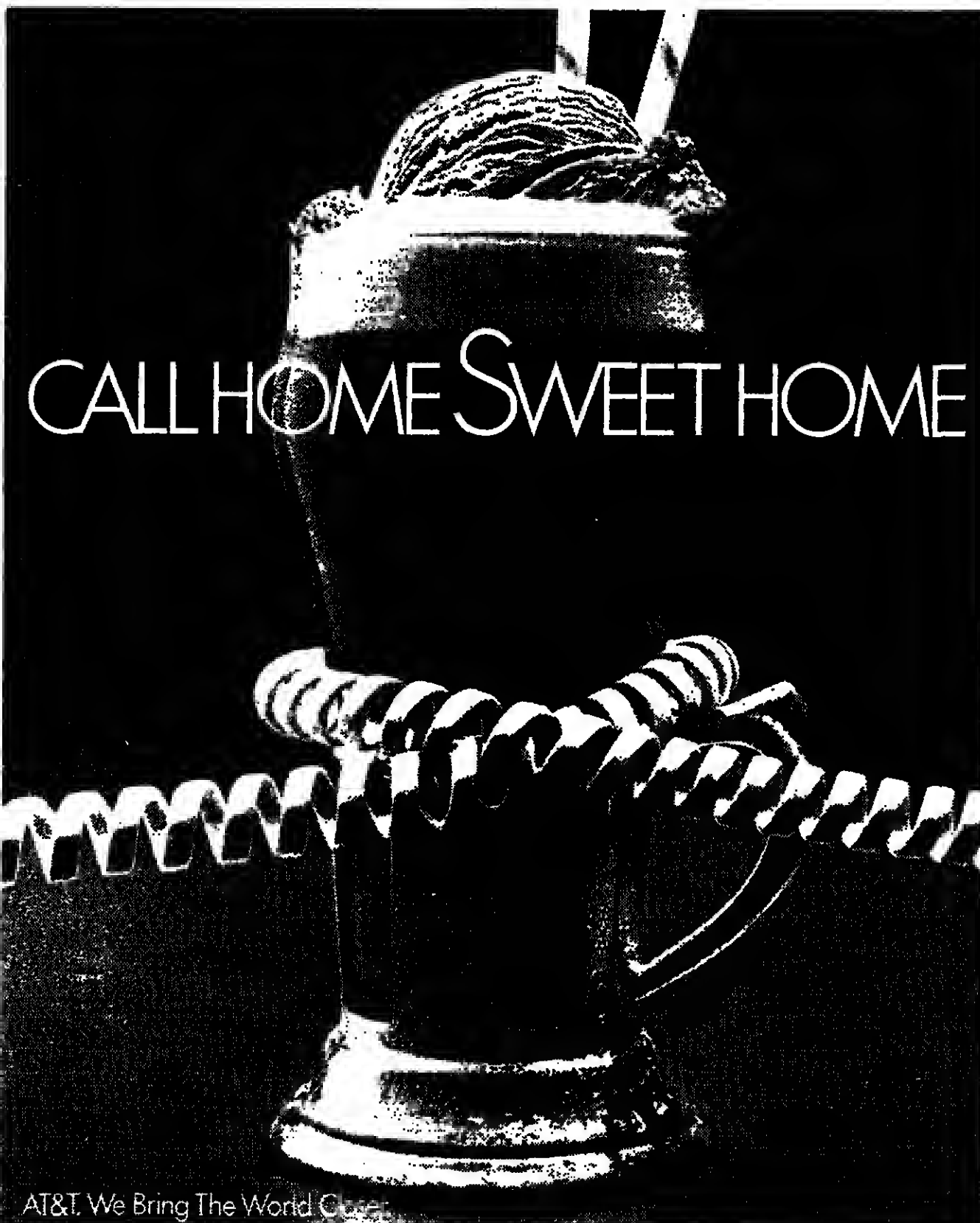
dents. The rest remained underground.

France requires all residents to carry identity papers, permitting police to make spot checks in subways and other public places. Fines have been stiffened to 24,000 francs (\$2,780) for companies that hire illegal immigrants, about four times the previous amounts.

With the toughest legislation in Western Europe and stringent airport screening procedures, Britain has made a determined and largely successful effort to halt illegal immigration, while stepping up deportations and tightening entry requirements even for some of its own nationals.

The British Nationality Act, which came into force last year, created five categories of British citizens, only one of which has the automatic and permanent right to live in the country. There are 57 million of these British citizens, and all but two million of them are white.

Excluded from the right to settle are Hong Kong's largely nonwhite population of 2.5 million and about 1.5 million "overseas citizens" — Indians, Malaysians and others — who had become United Kingdom citizens when their homelands gained independence. A sharp



So many things can remind you of the folks back home. And even though there's a big ocean between you and the ones you love, it's nice to know you can feel close again just by picking up the phone. So give them a call and let them know you really care. They'll be thrilled to hear from you. And you'll discover how sweet it is to hear a voice from home.



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WORLD BRIEFS

Defense Chief Visits

Kanaka's defense chief visits...

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Race For Helms' Seat Turns Bitter

North Carolina Contest Is Watched For National Impact

By Helen Dewar

WASHINGTON Post Service

RALEIGH, North Carolina — The television screen is suddenly

led with a grisly close-up of a

dead as rifle shots ring out in

distance.

This is what they do — the

squads in El Salvador — the

men, women and children mur-

dered in cold blood, a solemn

ice says.

Then come pictures of Roberto

Aubusson, the rightist El Salva-

leader, and the announcer say-

ing, "This is the man accused of

erecting those death squads," fol-

lowed by film of Senator Jesse

Helms, Republican of North Car-

olina. "This is the man whose aides

ped d'Aubusson set up his po-

cal party." This is Roberto

Aubusson's best friend in Wash-

ington, maybe his only friend.

The message concludes, "Jesse

Helms may be a crusader, but this

is not what our senator should be

said for."

The advertisement was broad-

cast by Governor James B. Hunt,

Democrat, just as Mr. d'Aubusson

was touring Washington in late

June at the encouragement of Mr.

Helms. It hit the North Carolina

political world like a summer

gale.

North Carolinians had long ago

used to negative advertising by

Helms and his allies. The race

between Mr. Helms and Mr. Hunt

for Mr. Helms' Senate seat had

already taken on aspects of an alley

way fight.

With four months to go before

the Nov. 6 elections, the Helms-

Hunt race is probably the most

celebrated of the nonpresidential

contests in the United States this

year with important overtones for

the country as a whole.

The contest is as close as any of

the half-dozen races that hold the

key to whether the Republicans

continue to control the Senate,

where they hold a 55-45 margin.

Another important possibility

rides on the outcome. If Mr. Helms

wins, if Senator Charles H. Percy,



James B. Hunt



Jesse Helms

Paper Apologizes to Hunt

The editor of a weekly newspa-

per that has strongly supported

Senator Helms has apologized for

running an article that alleged the

governor might have had a homo-

sexual relationship with a young

boy, news agencies reported from

Chapel Hill, North Carolina.

The article, by editor Bob Wind-

son on the front page of the N.C.

Landmark Limited, said that at a

recent campaign rally, "a man

called me aside and told me that

Jim Hunt had a lover who was a

pretty young boy from North Car-

olina who is employed by the State

Department. He called the boy by

name and gave the location of his

home. The fact that he gave his

employer gave credibility to the

story."

Mr. Hunt said Friday that he

would file suit if the article were

not retracted within five days.

On Saturday, Mr. Windson read

a prepared statement in front of

the Chapel Hill newspaper office: "I

was dead wrong to publish the ar-

ticle about Governor Jim Hunt that

appeared in the July 5, 1984, issue

of The Landmark.

A spokesman for the Helms

campaign called the article "pro-

posterous" and said the campaign

would no longer place advertise-

ments in the newspaper. (AP, NYT)

Jacksons Meet Jackson

Gerald M. Boyd of The New York

Times reported from Kansas City:

Mr. Jackson briefly turned from

the role of campaigner to that of

fan, friend and spiritual adviser to

the singing Jackson brothers.

Mr. Jackson, who is not related

to the entertainers, came to Kansas

City as a candidate, but like the

45,000 people who crowded into

Arrowhead Stadium for the start of

the group's 13-city tour Friday

night, he found himself caught up

in the musical moment.

Mr. Jackson first visited the mu-

sicians at their hotel for the benefit

of reporters, then, after his speech

Saturday, attended the concert.

Later, he returned to the group's

hotel, where he ate barbecue and

talked with the singers' parents.

Mr. Jackson said he has known

the group since the mid-1960s. A

member of the singers' entourage

said the Baptist minister was re-

garded by the brothers as a spiri-

tual adviser.

Jackson Urges Blacks to Await 'Signal' on Presidential Vote

By Juan Williams

Washington Post Service

WASHINGTON — The Rev.

Jesse L. Jackson says he expects

American voters to follow his

dance and not vote in the pre-

sidential election if he determines

the Democratic Party has not

acted fairly and ignores is-

ues affecting blacks at the Demo-

cratic National Convention.

In Kansas City on Saturday

night, Mr. Jackson urged black

delegates to await his "signal"

at the party's convention next

week in San Francisco and not

automatically line up with the

nominee.

The possibility of Mr. Jackson

leading a black boycott of the elec-

tion has often been present in his

campaign. But Saturday's veiled

threat to the Democratic Party

was just five days after a concilia-

torial meeting with Walter F. Mon-

roe, the likely nominee, "and I

think before the party's conven-

tion begins July 16.

Mr. Jackson said Monday that

actions at the party's conven-

tion on a variety of issues could

erode the enthusiasm of black

delegates, but he said, "I am not

gesting a boycott of the election."

The Associated Press reported

from Washington.

In an interview Monday morn-

ing on an NBC-TV program, Mr.

Jackson said that to "the extent

to which our legitimate interests are

heard, there will be enthusiasm."

Asked if he believed blacks

would follow him if he advised

them not to vote in the presiden-

tial election, Mr. Jackson said: "The

people who supported me will get a

signal from me."

"I'll play a trumpet with a clear

sound to signal where we are re-

lative to presidential politics," Mr.

Jackson said of black voters during

an interview Sunday as he flew to

Washington.

He spoke Saturday night in Kan-

sas City to the nearly all-black con-

ference of the African Methodist

Episcopal Church and met with

Michael Jackson, the singer.

"During the course of this cam-

paign, my constituency has been

more loyal to me than any other

candidate's voters, and I judge they

will continue to be loyal," he said,

predicting that blacks would heed

his advice even if it meant indirect-

ly aiding Mr. Reagan's re-election

by withholding their votes.

Since the end of the Democratic

primaries, Mr. Jackson has said re-

peatedly that blacks have been

"taken for granted" by Democrats

and "battered" by Republicans.

He warned that he was prepared to

advise blacks to stay home and risk

four more years of humiliation

rather than stand for four more

days of being taken for granted by

the Democratic Party.

Mr. Jackson has been supported

in that position by his campaign

chairman, Mayor Richard G.

Hatcher of Gary, Indiana, and by

his campaign manager, Arnold

Pinkney, and other black Demo-

crats.

Black politicians supporting Mr.

Mondale, such as Mayor Coleman

A. Young of Detroit and Mayor

Andrew Young of Atlanta, have

argued that defeating Mr. Reagan

is more important for blacks than

Mr. Jackson's drive within the party

for respect, increased delegates

and elimination of the second pri-

maries that he says are unfair to

black candidates.

"The Democrats will tell you, if

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Rulings Against Liberties

The United States Supreme Court ended its 1983-84 term with a pile of important decisions that seem disastrous for civil liberties, civil rights and even respect for law. The current majority continues to reach out awkwardly, even injudiciously, to open loopholes in the Bill of Rights. For all the restraint preached by conservatives, the final week alone brought three decisions that increase governmental power over innocent and guilty citizens alike.

Even a short list of legal low-water marks would have to include the new "good faith" exception to the exclusionary rule. That rule is the weapon the court has used to stand sentinel against unreasonable searches that violate Fourth Amendment rights. In 1914 a unanimous court said the Constitution would be meaningless if law officers could use at trial the fruits of illegal searches that are unreasonable — that is, unreasonable searches. Now the court announces that when a search or arrest warrant proves defective, the evidence can be used anyway because police acted "reasonably" on the defective document. If the concept of a reasonable unreasonable search is hard to accept, what is worse is the intimation that more exceptions to the rule will follow.

Another decision will be felt for years by those who look to the courts to vindicate basic rights. The court held that parents of black children may not sue the Internal Revenue Service to get tough on private academies that segregate. Are blacks hurt by tax breaks for schools that drain whites from public schools? Not enough to win standing to sue — not unless, Justice O'Connor allowed, they apply to those academies and are turned down. What an example of humane thought: black children appealing for acceptance by schools established to discriminate against black children.

Compare the Supreme Court's response in that case to the hospitality it recently showed white firefighters in Memphis who had been laid off in budget cuts but were then quickly rehired. They complained that all recently hired blacks had to be fired before them. The

court took that case and issued a ruling that needlessly called into question many good-faith efforts to integrate work forces.

Two other decisions last week, involving Virginia prisons and Los Angeles jails, raise questions about how accurately the justices perceive life behind bars. Here is what Chief Justice Burger said speaking of jail conditions for prisoners awaiting trial — the same trial at which they will be presumed innocent:

"No one familiar with even the barest outline of the problems of the administration of a prison or jail . . . could fail to be aware of the ease with which one can obtain release on bail or personal recognizance. The very fact of non-release pending trial thus is a significant factor bearing on the security measures that are imperative to proper administration of a detention facility." In other words, forget about innocent-until-proven-guilty. These people are dangerous. Also, presumably, guilty.

The chief justice is eloquent in speeches about the need for more humane prisons. Now, in his Virginia case opinion, he denies that they have any duty to safeguard an inmate's dignity from cell searches and the whim of guards. A 5-to-4 majority of the court ruled that a prisoner's most personal effects, even a picture of a girlfriend or children, are not safe from arbitrary seizure and destruction. How much more decency radiates from Justice Stevens' dissenting view that American society is capable of honoring minimal privacy rights for even its most despised members.

The uneasy sense generated by these decisions is that justice, never blind but usually evenhanded, has become political. Justice does tend to run in cycles, and a slice of America may be satisfied. To us it sounds mean-spirited. So, too, to Justice Brennan. In a dissent on the last day of this term, he wrote: "There is hope, however, that in time this or some later court will restore these precious freedoms to their rightful place as a primary protection for our citizens against overreaching officialdom."

— THE NEW YORK TIMES.

Moderation in Guatemala?

The line on the Guatemalan elections was that they would be marked by apathy and fraud and would favor the Movimiento de Liberación Nacional, the party of the anti-Communist far right. As it turned out, the July 1 elections were well attended, seemed to most observers to be fair, and produced a victory for two centrist parties. The government of General Oscar Humberto Mejía Victores had made clear that the newly elected constituent assembly will be confined to writing a new constitution and election law. But the winning parties in effect instantly started campaigning for the presidential elections and the formal move to civilian rule scheduled for 1985. No one pretends that the military will surrender real power then. Still, so dark is Guatemala's past that tentative steps toward the light cannot be ignored. The question is how much more than a polite pat on the shoulder is due.

The Reagan administration sees the elections, along with the relative human rights improvements of the last two years, as tending to rehabilitate Guatemala's otherwise stained reputation, and to qualify it for regional anti-

Communist partnership with Washington. The administration has some modest military supply items in the sales (not aid) pipeline, and it hopes that the July 1 vote will propel them along. The theory is that dealing such cards to Guatemalans — especially to military men — willing to take a chance on reform is the best way to sustain a democratic evolution.

It is a chancy theory, but one that, if put into practice with skill and restraint, could offer helpful possibilities. This administration, however, is not everywhere known for the requisite skill and restraint. Given the current circumstances in Central America, a prudent person might well ask whether the Reagan administration is concerned more with doing what it can to nurse along the tender shoots of moderation in Guatemala or with building up the Guatemalan military in order to apply further pressure on the Nicaraguan Sandinistas and the Salvadoran insurgents. The Guatemalan powers that be must not be allowed to get the idea that the United States does not expect them to continue down a sensible political road.

— THE WASHINGTON POST.

Other Opinion

Debt: 'Quite a Bit of Progress'

Is the world debt situation looking any better? Somewhat better. One has to marvel at the rapidity with which the Mexican people accepted sacrifice as their government subsidies were cut. Brazil's turnaround in its balance of payments is quite positive. One doesn't know how the Argentine negotiations will come out, but President Alfonsín's speech the other day certainly wasn't like the speeches he made in his campaign. The Europeans are beginning to regard Iran's current countries with large debts as acceptable risks again.

Yes, we've made quite a bit of progress in the last 18 months or so.

— Preston Martin, vice chairman of the U.S. Federal Reserve Board, in an interview in U.S. News & World Report.

Guatemala: Officers Still Rule

There is cause for hope in the results of the July 1 elections in Guatemala — but not enough to justify the Reagan administration's plans to renew U.S. military assistance to that country's brutal security forces.

It is encouraging that despite 30 years of repressive military rule, and periodic electoral fraud to keep the generals in power, more than 1.5 million people turned out to select 88 members of a constituent assembly that will

rewrite the constitution and make other preparations for presidential elections in 1985.

It is even more encouraging that Guatemalan voters gave most of their votes to moderate political parties, including the Christian Democrats and the Union of the National Center, while the rigidly right-wing National Liberation Movement got only 12 percent of the vote.

But, despite the outcome of the vote, the real power is still in the hands of the military.

The brutish arrogance of many Guatemalan military officers led the Guatemalan army to reject U.S. military aid in 1977, after the Carter administration criticized the government's abysmal record on human rights.

Today the Guatemalan military is convinced more than ever that it can win its dirty little (counterinsurgency) war alone, without advice or interference from pushy gringos who worry about niceties such as human rights.

Nevertheless, the Reagan administration is talking about renewing military aid to Guatemala, starting with \$10 million in "non-lethal" military aid in the next fiscal year.

President Reagan and his aides should remember that they already have enough worries and problems in Central America in trying to control the wretched excesses of El Salvador's military. The Guatemalans should be left to their own devices, at least until civilian authority is firmly restored in that country.

— The Los Angeles Times.

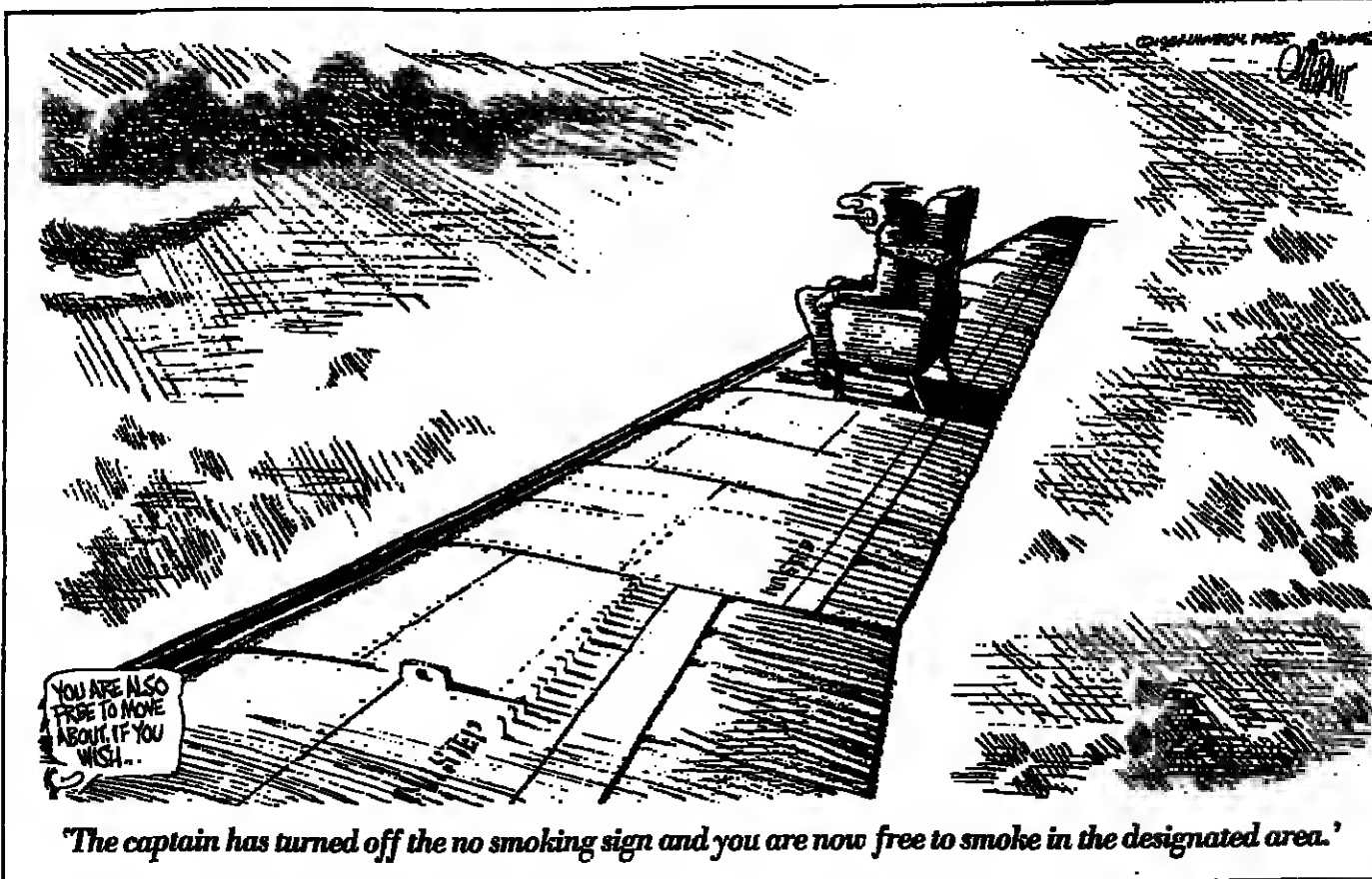
FROM OUR JULY 10 PAGES, 75 AND 50 YEARS AGO

1909: Shah's Overthrow Is Feared

ST. PETERSBURG — "Good-bye, Tehran," are the words which Sardar Assad is said to have used after British and Russian diplomatic representatives had endeavored to persuade him to abstain from marching on the Persian capital. Although Sardar Assad gave assurance that he did not wish to depose the Shah, the diplomatists are prepared for eventualities. The de-thronement of the Shah is not unlikely, particularly as Mahomet Ali has failed to gain the affections of his subjects. Russia, however, has no desire to interfere in Persia's affairs, and whatever may be the result of the present struggle, the Russian troops will hold aloof from it so long as the lives and property of foreigners are not in danger.

1934: Senator Upbraids Fed Official

WASHINGTON — Reports from Basel that George L. Harrison, Governor of the New York Federal Reserve Bank, had given assurance to heads of European central banks gathered there that there would be no further devaluation of the dollar, which is regarded as a bid for stabilization, brought protest (on July 9) from Senator Elmer Thomas, head of the inflation bloc, who warned Mr. Harrison to "quit meddling" in international monetary matters. He accused him of responsibility for monetary policies which brought "tragedy to our country," and of usurpation of the constitutional powers of Congress by "unauthorized" negotiations which might lead to tying the American dollar to any foreign currency.



The captain has turned off the no smoking sign and you are now free to smoke in the designated area.

As the Deficit Goes Down, Taxes Need Not Go Up

By Evan G. Galbraith

The writer is United States ambassador to France.

PARIS — The nonevent of the year will be the budget deficit. The increased government revenues and limited expenditures beyond expectations, reducing the federal deficit for the fiscal year ending next Sept. 30 to less than \$175 billion (down from \$195 billion in fiscal 1983) and increasing the state and local surplus to \$60 billion. This makes a net government deficit of about \$115 billion, far from the \$200 billion so often cited.

The last quarter of this calendar year should reflect continued improvement, and 1984 will probably end with a combined government deficit of about \$100 billion, or 2.7 percent of GNP.

It seems less and less likely that the upturn in the deficit that is supposed to take place in 1985 will in fact happen. The cyclical portion of the deficit may well be eliminated next year and the economic base under next year's growth will be much larger than was anticipated six months ago.

It is correct to include state and local surpluses when calculating our deficit. The National Income Accounts maintained by the Commerce Department have done so for years. The OECD, the international statistical organization established by the industrial countries, includes state and local surpluses or deficits for calculating the ratio of member countries' deficits to GNP.

It is logical that state and local accounts be

included because the effect of such surpluses or deficits on credit markets is the same as the effect of federal deficits or surpluses. Statistically, without such an inclusion, the Commerce Department's investment account would not balance.

The final figures for the fiscal year ending Sept. 30 will be available before the end of October. Thus, Americans will be in a position to judge the true state of the deficit before they vote in November. A nonevent should mean a non-issue.

Having identified a nonevent, I turn now to identify an event, an event which is not sufficiently appreciated. Thanks again to the remarkable growth in the economy, to the reduction in the government deficit and to the reduction in taxes, business and personal savings will almost certainly increase this year by more than both the increase in all our borrowings, government and private, and the increase in capital investment for plant and equipment. This has not happened since 1981.

In the National Income accounts, gross private savings are the total of personal savings after consumption, plus business cash flow. This figure is reduced by the federal deficit and increased by the state and local surplus, and the result is Ameri-

ca's gross savings. In 1984 the figure should increase by about \$35 billion as a result of the reduction in the net government deficit, and by another \$50 billion from the growth in GNP. Despite the recent surge in credit demand, it is unlikely that growth in borrowing and capital investment will exceed \$85 billion.

If the demand for money were to increase unexpectedly by more than this amount, it would mean that the economy had grown more than the basis for these calculations, which would mean correspondingly greater savings.

With savings growing this year faster than borrowing and investment, there should be downward pressure on interest rates. This, coupled with the recent excellent inflation numbers and the fact that the economy for more than a year has been growing faster (10.8 percent) than the money supply (7.1 percent), means the Federal Reserve would be justified in moving to lower short-term interest rates, a move that would give further thrust to the economy and help debtors and bankers worldwide.

There is no doubt now but that the tax cuts were a boon to the economy, which in turn has cut government deficits and generated new savings in excess of new demand. It really would be Alice in Wonderland economics to increase taxes to solve a problem that is being solved by tax decreases.

International Herald Tribune.

Schmidt's Defense Balloon: A Useful Nonstarter

By Dominique Moisi

PARIS — Could the exercise of power and the exercise of imagination be incompatible? It has taken nearly two years after leaving power for former Chancellor Helmut Schmidt to make a spectacular security proposal concerning the merging of French and West German defense efforts.

Mr. Schmidt suggests that the two countries could, by mobilizing reserves, field 30 divisions — enough to defend the Western Europe and deter any attack. The joint effort would permit a considerable reduction in U.S. army units in Europe. Most of the cost increase for conventional arms could be borne by Bonn if France expanded its autonomous nuclear force to include the protection of West Germany.

What would have happened if this proposal had been made three years ago, when Mr. Schmidt was still chancellor? Would the same resounding silence, based on a mixture of neglect and embarrassment, have met his initiative in Paris?

At first glance, the proposals have a lot to offer to France.

At a time when West Germany and France are engaged in a joint effort to reactivate the military dimension of their collaboration, Mr. Schmidt's ideas are a leap toward a European defense of Europe.

They acknowledge the possibility for France to play a world role as

leader to a French-German tandem.

They express evident skepticism as to the future credibility of the U.S. guarantee for Europe.

Last but not least, they very specifically exclude the possibility of the Federal Republic having even indirect access to nuclear weapons, through a veto right or a dual key to the French nuclear arsenal.

The recognition of France's world role, the difference vis-à-vis the United States and the maintenance of the non-nuclear status of the Federal Republic would satisfy France's Gaullist tradition.

However, in the triangular game of reassurance and diffidence between Washington, Paris and Bonn, roles have subtly changed, even if primary concerns stay the same.

In the early 1960s, when Charles de Gaulle proposed, through the Fouchet plan, a degree of European cooperation in defense, West Germany opposed the plan out of loyalty to the United States. Bonn was not willing — nor is it today, despite Mr. Schmidt's assumption — to exchange a secure American guarantee for a nascent French one.

If Mr. Schmidt's proposals were taken for an official West German position, which they definitely are not, one could say, observing French reactions, that Bonn and

Paris have switched roles. Polite French skepticism is based partly on the fact that Mr. Schmidt's ideas could weaken the U.S. guarantee at a time when the military balance of forces in Europe is precarious.

In fact, it would seem that continuity largely prevails. Helmut Schmidt's plan is unacceptable in Paris for two traditional reasons:

First, it ultimately presupposes a balancing of French defense efforts between nuclear and conventional forces, even if Bonn is willing to pay the conventional bill. Second, it implies extension of France's nuclear deterrence to the Federal Republic.

Both shifts would mean France moving away, in its defense posture, from a position of comfortable ambiguity to one of straightforward clarity. Such a shift is deemed to be politically counterproductive in France, and strategically premature.

It runs against the reaffirmed official policy of France, with its emphasis on nuclear weapons and its essentially national character. Can a medium-size nuclear power extend its nuclear deterrence?

What the French want to preserve as best they can is a policy of independence and the maintenance of a structural difference vis-à-vis a non-nuclear Germany. This desire to differentiate itself from the Fed-

eral Republic was already present in France's initial choice to become nuclear. Mr. Schmidt's proposal is viewed in Paris by many as a bid to reduce that difference, by means of an attractive proposal appealing at the same time to French pride and to the desire for European unity.

This nuclear factor differentiating France and West Germany is the ultimate obstacle on the road toward a European defense. Mr. Schmidt's proposals are an elegant but still unsatisfactory way of transcending and defining the problem.

Yet whatever its numerous limitations — and they are military as well as political — the Schmidt proposals have undeniable pedagogic value. They rightly place the emphasis on the importance of a greater joint conventional effort of France and the Federal Republic. And they point up the ambiguity of France's defense posture.

Today, contrary to the situation in the '60s, more security for France may have to mean less independence. It will be a hard choice, but one that French governments will have to confront in the future.

The writer is associate director of the Institut Français des Relations Internationales and editor of its journal, *Politique Étrangère*. He contributed this comment to the *International Herald Tribune*.

Guatemalans Could Do With More Help, Not Less

By Jonathan Power

This is the second of two articles.

GUATEMALA CITY — The United States Embassy in Guatemala City goes to great pains to distance itself from criticism of the Guatemalan military regime made by organizations like Amnesty International and Americas Watch, which depict the regime as the most brutal in all Latin America.

But this looks like mere quibbling around the margins. Was there a massacre by government troops in this village or was it confused with another? Were the disappearances this month fewer than last? Are the death squads primarily run with the president's full knowledge or are they to some extent the autonomous agencies of local military commanders or even businessmen and plantation owners?

In the end, the debate seems almost irrelevant. Even the embassy, which is trying to play down human rights abuses to make it easier for the Reagan administration to persuade Congress to permit resumption of military and economic ties, puts out a pretty devastating critique of what is going on in Guatemala.

The embassy's latest human rights analysis observes that "reports of massacres and other atrocities continued" and that "government security forces, including the army, were responsible for an unspecified number of arbitrary deaths and disappearances in 1983."

The analysis acknowledges reports of "incidents where military personnel turned over guerrillas or suspected guerrillas to civil defense patrols for summary punishment."

And this: "Although Guatemalan civil and criminal codes expressly prohibit physical or mental torture, torture continues."

That is fairly strong stuff. It may not have the bite of an Amnesty International report arguing that death squads are directly controlled by the presidential office, or of Americas Watch saying that the army and the death squads killed "tens of thousands in the last five years," but it offers little comfort to those who would argue that the regime is now respectable enough to warrant the establishment of warmer relations.

Yet there is an argument for resuming relations, and one which is not often heard. It is that there is a great danger that Guatemala is re-moving itself from the real world.

Guatemala, despite its proximity to the upheavals in El Salvador and Nicaragua, is different in character. The military regime is unlikely to trade off a part of its sovereignty, as the Salvadoran military has effectively done, to gain U.S. economic and military help. It has run the country for nearly all of the last 50 years and it prefers to operate on its own terms.

The regime held elections on July 1 for a constituent assembly. Next year its plans call for a general election. Few, however, can imagine the military stepping out of the picture for long, although it might allow some measure of controlled democracy.

The big question is how to influence the army to keep on opening up. The military seems almost impermeable to the human rights critics. So negligent is it of its image abroad that it does relatively little to counteract either the enormous shortfall in tourists or the drying up of investment

that the last few years of well publicized upheavals have wrought.

Maybe, given this defiant isolationism, the answer is not to stand off, as the human rights groups urge. Maybe a partial answer would be to do the rest of the world to have more to do with Guatemala, not less.

The aim would be to encourage the growing circles within the educated classes of business, finance, law, press and farming who would be prepared to countenance major changes in the way the country is run, but which need to be bolstered and encouraged if they are to exert what influence they have on the army and the other major institutions of state.

If foreign investors were to return and the country were to resume its two-decade-old economic growth, that might help accelerate into position of influence the younger generation of business managers who do not share the "anything goes" outlook of their fathers but want a more stable, mature and democratic society for their children.

If the armed forces were exposed to training in U.S. military colleges, notions of respect for civilians, fair play and subservience to civilian government might be slowly transmitted. Beneath the waves of human rights abuses there are stirrings for change in Guatemala. They surface in a cautious but on occasion brave local press. A new generation is beginning to permeate the hardened cells of Guatemalan society, even in the army. It needs encouraging.

International Herald Tribune.

LETTERS TO THE EDITOR

Kelly and the Greens

Regarding the report "Germany's Greens Denounce Kelly" (July 4):

At the meeting of the Green regional Bavarian conference, I was not asked to leave my seat in Parliament because of criticism about "publicity seeking." There was no discussion about myself or the work I have done so far in the Bundestag. The Bavarian Greens stated clearly that this was a decision of principle concerning rotation, which is to be carried through from 1983-87 but in fact is being at the same time questioned and most likely will be abolished by 1987.

Furthermore, I was not "stripped

of my party leadership in April." I was spokeswoman of the party from 1980 to 1982 and was rotated in November 1982 by my own free will. I was elected as one of the three spokespersons of the parliamentary group in 1983 and had decided not to seek re-election in 1984. I had only stated that I would stay on with my colleagues if the term were extended.

PETER KELLY.

Bonn.

Justice in San Salvador

In response to the news report "Salvador Ex-Guardsmen Sentenced in Nunt Case" (June 20):

Michael Donovan, brother of slain

Do We Now Reassess The Court?

By Anthony Lewis

BOSTON — The power of the modern state strains the central premise of American democracy, which is the belief that freedom requires limits on government. For the levers of power available to government today — economic, technological, physical — would amaze not only Jefferson but Franklin Roosevelt.

For the last 30 years America has relied overwhelmingly on a single institution to set the limits on state power. That institution is the Supreme Court. I think we did not altogether realize the extent of our reliance on it until the moment when the court made clear that it was no longer prepared to perform the function.

When the justices finished their term last week, there was a stunned reaction among the public as well as legal specialists. It was not this or that decision that produced the reaction. It was the sense that our fundamental assumptions about the Supreme Court must change.

A common thread running through decisions on diverse subjects this term was a reverence for authority. In case after case the court set aside limits on state power that lower courts had found in the law. The winners were officials, from local police to the president.

Nor was it the results alone that made the court's new direction unmistakable. It was the way the majority reached out to achieve those results, ignoring the traditional rules of judicial self-control.

An example perhaps insufficiently noticed was a case on the privacy rights of prison inmates. Most civilized countries assume that even prisoners have a certain residual dignity that the state should not invade. When it was disclosed in South Africa recently that certain prisoners are watched continuously on closed-circuit television, people were shocked.

In the case before the Supreme Court, a lower court had held that inmates had a limited legal privacy interest, protecting them against seizure of their belongings when there was no issue of prison security. Every lower federal court that considered the question had found prison cells protected to some extent by the Fourth Amendment's prohibition on illegal searches and seizures.

A 5-to-4 majority disagreed. And it did not merely find against this prisoner on the facts, as it might have. It held in sweeping terms that the Fourth Amendment does not protect prisoners at all, ever.

It was the unnecessary breadth of the decision that drew from Justice Stevens this dissenting protest: "By telling prisoners that no aspect of their individuality, from a photo of a child to a letter from a wife, is entitled to constitutional protection, the court breaks with the ethical tradition that I had thought was enshrined forever in our jurisprudence."

Another example, small but telling, came on the last day of the term. The court ordered further argument next term in a case testing whether evidence found by a New Jersey school official in a search of a student's purse could be used in a delinquency proceeding. The New Jersey Supreme Court found the original search illegal, and the state had not challenged the ruling. But now a 5-to-4 majority ordered that issue argued.

"The court has acquired a voracious appetite for judicial activism" in search-and-seizure cases, Justice Stevens said in dissent. "At least when it comes to restricting the constitutional rights of the citizen." He said the majority was plunging into an issue on which "no litigant wants the court's guidance." He added: "Volunteering unwanted advice is rarely a wise course of action."

In terms of state power, the most significant strain in the term's decisions was deference to the president. This was flagrant when the court was performing the role of interpreting legislation. It repeatedly read statutes in a way that enhanced the president's power to do what he wished.

The most striking decision of this kind was in the Cuba travel case. A 5-to-4 majority ignored much legislative history in order to find that President Reagan, bypassing simple procedures prescribed by Congress, could ban most U.S. travel to Cuba.

But there were also issues of affirmative action and environmental policy in which the court went far to fit what the executive wanted into the words of legislation. Professor Laurence H. Tribe of the Harvard Law School, a leading scholar of constitutional law, summed the term up in a sentence: "In one sphere after another, the court has affirmed the almost boundless authority of government over the individual and of the executive over the other branches."

The stunned reaction to the Supreme Court's change of direction would have been noted with ironic satisfaction by Felix Frankfurter, as professor and Supreme Court justice he warned against relying on judges to save freedoms. But in the modern state, with power tilted toward the executive, where else are we to look?

The New York Times.



Michaela Donovan

Michaela Donovan

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مكتبة الامم المتحدة

ARTS / LEISURE

Do We Reassemble The Collapsing Career Of Elsa Schiaparelli

By Anthony...

HEBE DORSEY

HEBE DORSEY — If only for the buttons, the "Homage to Elsa Schiaparelli" exhibition is worth seeing at the Pavillon des Arts. For buttons have virtually disappeared from the fashion scene. When they are used, they are invariably uninspired and boring. Schiaparelli's, of which Janet Janer of the New Yorker once wrote: "She persecutes them with a former's zeal."



Jan Ray's portrait of Elsa Schiaparelli, around 1928-30.

which are on view at the exhibition. In a 1969 interview, Schiaparelli described one of her buttons (not on display), as "very pretty, with a bronze silhouette."

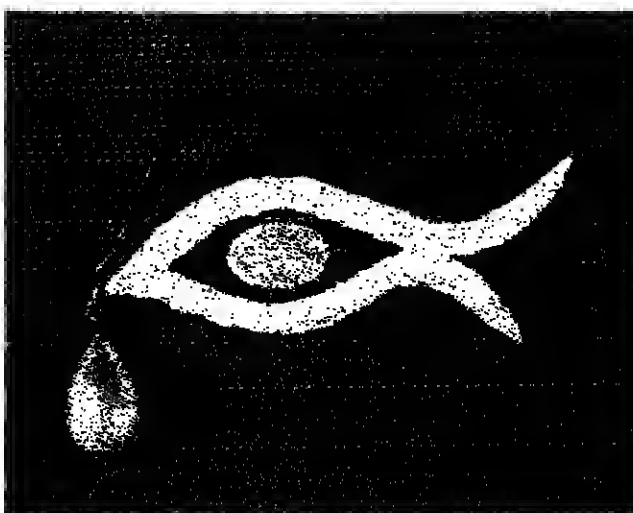
Then she asked the sculptor, "Can I reproduce it?" "Of course," he said. "Then I found out about the price," Schiaparelli recalled. "Impossible, it would have been 10 times the price of the dress."

Also on display at the exhibition are buttons shaped like roses, peanuts, dice, doves, masks, lockers, shoes, bears or coins.

Another important offering came from Jean Schlumberger, who started his career creating buttons for Schiaparelli and went on to become a jewelry designer. His buttons are decorated with fruit, birds, flowers, a sailing boat, insects, a castle in a wood and a pink camel.

Other buttons provided by another talented artist, Jean Clément, are made of plastic, mother of pearl, glass or mirrors. One of them is a shell, another is a grotesque head, the eyes being holes through which to pass the thread.

The ultimate is a dress fastened on the hips with three buttons like startlingly blue porcelain eyes, which Schiaparelli reportedly bought from a taxidermist.



Brooch designed by Jean Cocteau, about 1927.

Wearing a Schiaparelli suit had its hazards. In the exhibition's catalog, one of her friends, Nadia Georges-Picot, relates how she once had a suit fastened with buttons shaped like hazelnuts. As she visited a park in Finland, she was assailed by a multitude of red squirrels. By the time they were finished, she did not have a button left.

Hubert de Givenchy, the first designer Schiaparelli ever hired, worked for her from 1948 till 1952, and designed her boutique collection. "The best way to sum her up," he said, "is to say she was the first person to use accessories with flair. The base was always uncompromisingly strict — often a severe black suit — but then she would trim it up with a wild hat and crazy gloves."

Some of these accessories are on display at the show. Among them the famous shoe-hat, high-heeled, too, black gloves finished with varnished gold nails and a bag in the shape of a telephone, inspired by Dali.

The exhibition, which runs through Aug. 30, breaks down into five sections and goes through her life, including her quieter later days in her Rue de Berri townhouse, off the Champs-Élysées.

The first room displays Schiaparelli's first important foray into fashion with trompe-l'œil sweaters, which she sold from a two-room attic on the Rue de la Paix.

The second room, "Place Vendôme — 1935-1939" shows how she moved into a prestigious locale — which included a sofa in the shape of bright red lips and designed by Dali. It also displays her famous "Shocking" perfume bottle, designed by Leonor Fini, a female torso with a heart on the left bosom.

Stunning photos, many of which came from the archives of French Vogue, include Marlene Dietrich photographed by Cecil Beaton in a coat and fur toque by Schiaparelli as well as the Duchess of Windsor,

also photographed by Beaton, wearing Schiaparelli's so-called lobster dress.

In the third room, fall 1939 meant a glittering musical collection, illustrated with embroideries by Lesage. The latter is a 120-year embroidery house, whose current owner, François Lesage, largely bankrolled this retrospective.

Schiaparelli spent the war years in the United States and reopened after World War II, but she no longer had the power she once had. She closed her house in 1954.

There is no question that "Schiap" was an innovator whose influence is still visible in this exhibit. A partisan of hard-core — she once said "I hate pretty things. I only like beautiful or ugly things" — it was she who introduced wide, square shoulders.

Among the documents on display are sketches of dresses that Yves Saint Laurent made for Schiaparelli's own use in her late years. Saint Laurent, who once said he "loved her inventiveness and even her dash of madness," is strongly influenced by her and often came up with similar Surrealist themes. Others, such as Hanae Mori, have copied Schiap's music theme and Bill Blass asked for her watermelon embroideries, which he put on lapels.

A Miss Deaf America Is Chosen in Baltimore

BALTIMORE — Margo Cienik, who has been deaf since birth and was born to deaf parents, was chosen from 35 candidates to be Miss Deaf America. Cienik, formerly Miss Deaf California, works for the Greater Los Angeles Council for Deafness, counseling clients in job development and acting as a Social Security advocate. As Miss Deaf America, she will travel across the country to encourage an understanding of deafness.

Vasarely Doesn't Square With Wagner

By David Stevens

International Herald Tribune

PARIS — Massimo Bogianckino has made it clear in his first season directing the Paris Opéra that he has a well-developed sense of history. So he surely knew he was thumbing his nose at the muse of history when he scheduled a new production of Wagner's "Tannhäuser."

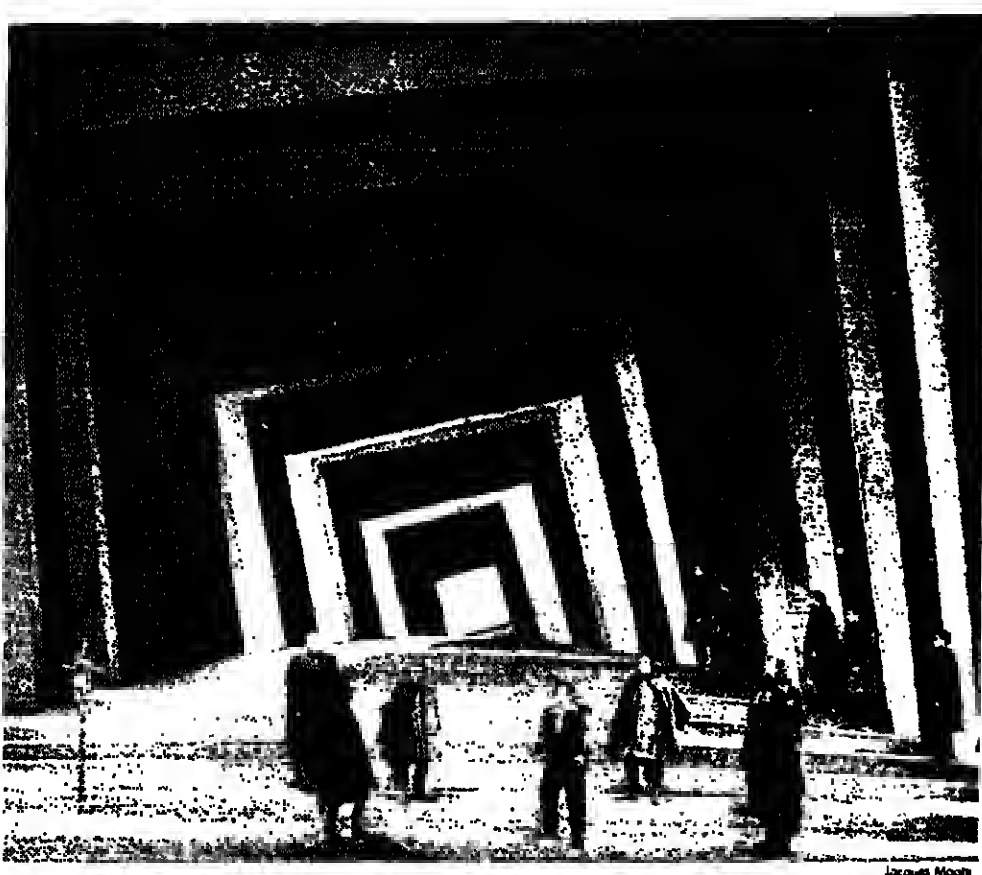
Like other foreign composers in the 19th century, Wagner had to bend to Paris's singular demands. He revised his then 15-year-old romantic opera, inserted a ballet and meant to have it sung in French. The rehearsal period was long and agonizing, at least for Wagner. The first performance on March 13, 1861, was one of the great scandals in operatic history, principally because the ballet came early in the opera, where it made dramatic sense, instead of later on, when the powerful but habitually tardy members of the Jockey Club would be sure to see it. It lasted three performances.

In any case, the time for the music of the future had not arrived, as today's opera-goers are reminded by French comments of the period on Wagner, reproduced on banners and hung around the Opéra's grand staircase — all negative except for Baudelaire's. Yet it is in the Paris version that "Tannhäuser" is mainly heard today, although sometimes grafted onto parts of the earlier Dresden version.

Compared with Wagner's troubles in 1861, Bogianckino's problems with "Tannhäuser" in 1984 seem relatively minor. Strides delayed the date of the premiere of the new production more than a week. A few days before the rescheduled premiere the conductor, Christoph von Dohnanyi, pulled out. And when, on Saturday, the curtain finally went up, it was with a different tenor than the one listed in the program.

The result musically was nevertheless at a very high level. Uwe Mund, a 43-year-old Vienna-born conductor who now is general music director in Gelsenkirchen, West Germany, stepped in for Dohnanyi and, reportedly with only two rehearsals, delivered a solid, well-balanced, handsomely shaped performance, and the Opéra's orchestra contributed some of its best playing in a long time — as if to show its professionalism when it was urgently needed.

The cast, too, was without any serious weakness. Richard Cassilly, who had already been scheduled to sing some later performances, stepped into the daunting title role for an indisposed Klaus Koenig, and had what might have been one of the best nights of a long career. Cassilly, for some 30 years, has



Act 1 set by Victor Vasarely for Istvan Szabo's "Tannhäuser" in Paris.

been one of the toilers in the Helldener vineyard rather than one of the superstars, but he is mighty good insurance. On Saturday, he sang and acted stalwartly and sensitively, with warm tone and assurance, and still fresh enough in Act 3 for a powerfully effective narrative — this in a role that has caused a lot of angst among prominent tenors in recent years alone. Anna Tomowa-Sintow, once past a rather strident beginning, was a radiant, touching Elisabeth, and Eva Randova a powerful, rich-toned Venus. Lajos Miller, a warm-toned Hungarian lyric baritone, was the dignified and sympathetic Wolfram, while Siegfried Vogel, a solid, overbearing Landgraf Hermann, did not succeed in making his Act 2 address sound interesting. The Opéra got more than its

haritone from Hungary, although with less happy results. Istvan Szabo, the film director, has staged the work in designs supplied by Victor Vasarely (who has lived in France since 1930 and has long since made his name with his geometric abstractions). Rather than saying Vasarely designed sets for "Tannhäuser," it would perhaps be more accurate to say that Szabo chose certain of Vasarely's existing works — assemblies of squares and rectangles calculated to give the perspective of a tunnel reaching into the far distance.

This basic unit came in three versions — straightforward for the Act 2 singing contest at Wartburg, and skewed in opposite directions for the Venusberg scene (in springtime green) and the final act (in autumnal brown-ocher). The sets

did not get in the way of anything — indeed they left the stage entirely open — but they did not contribute much either.

There is nothing the matter with a simple view of "Tannhäuser," but despite this freedom of movement for soloists and chorus, Szabo made little use of it for any dramatic or poetic purpose.

The head-on squareness of the Act 2 set suggests an absolutely square society obviously enough, but the effect was watered down by the aimless milling around of the guests. Then the repressive aspects of this society were reinforced by having a bunch of obvious secret-police types crisscrossing through the assembled multitude. There was seemingly endless crossing of the stage by supernumeraries, and superannuated dogs — one of whom predictably balked and had to be dragged from stage left to stage right to much laughter.

The sets provided a workable scenic space of a kind that might have been welcomed by, say, Adolphe Appia or Wieland Wagner. But Szabo had little but routine and empty movement to offer beyond that. Nor were matters helped much by the anonymous costumes of Judith Gombor or the unexciting neo-Baroque ensembles of Iván Markó's choreography.

2 Frenchmen Make 1,100-Mile Swim

The Associated Press

NEW ORLEANS — Two French swimmers ended a 1,100-mile (1,770-kilometer) swim down the Mississippi River from St. Louis to the Louisiana World's Fair in New Orleans on Sunday. Bernard Bourgoin, 54, a mechanical engineer from St. Etienne, France, who briefly collapsed after

the swim, and Patrick Benoit, 38, of Nevers, left St. Louis on June 9, with two friends from Nevers. Didier Dubezek, 28, scouted ahead in a kayak for turbulence and debris, while Alain Louisset, 40, drove along the riverside carrying the food and supplies needed when the swimmers crawled out of the water for a rest.

Black' Economy Keeps Spain Working, Eases Risk of Social Upheaval

By Tom Burns

Washington Post Service

MADRID — A young man is his way through a traffic jam, stopping at one car after another and showing each driver a card. "I am unemployed," he says. "I receive no benefits. I have children. My wife is sick."

They were closed in Madrid in early 1970s but officials at the Ministry said that had reopened.

Statistics show that at the end of May one in five Spaniards was out of work — 2,639,800 unemployed in a work force of 13,204,000. It is Western Europe's highest unemployment rate.

The picture is somewhat distorted, however, because the official figures do not reflect employment or partial employment in Spain's "black" or "submerged" economy. A recent government employment report said that, if irregular, unreported employment were taken into account, the number of totally unemployed might be closer to one million.

Unemployment benefits in Spain are low by Western European standards. They are paid for a maximum of 18 months for a worker who has received social security

stamps for at least four months. Officials estimate that only 38 percent of the unemployed receive benefits of any kind.

Many people in Spain fear that an unemployment rate as high as 20 percent must lead to widespread social upheaval.

"The question is how is it that with more than two and a half million unemployed," a banker asked, "the whole of Spanish society doesn't break down?"

Officials at the Employment Ministry say two key factors are often overlooked: many of the unemployed are young and the "submerged" economy is thriving.

The government estimates that as many as 60 percent of the unemployed are no more than 25 years old and that most are looking for

their first job. According to Pedro Montero, director-general of the state's employment service, those factors provide a "cushioning effect."

Because of Spain's close family structure, Mr. Montero said, "young people can fall back on and live with their families" to a greater extent than they can in comparable industrialized societies.

A further cushioning effect is provided by the "black" economy. Prime Minister Felipe González said recently in a radio interview that as much as 25 percent of all economic activity in Spain could be classified as "illegal," meaning employees were not registered with the government and employees did not have social security coverage. A report published by the Ma-

drid business weekly Mercado uncovered evidence of a thriving black economy in the shoe manufacturing center of Elche. Of a total working-age population of 88,231, 15,808, or 17.9 percent, are unemployed in the city, near Alicante on Spain's east coast.

In 1977, Elche's shoe industries employed 18,000 people. Today the total is half that figure. Unemployment in the shoe industry, consisting of 400 registered companies, leads all other sectors with 6,224.

The report in Mercado established that despite the evidence of a slump, the Elche shoe industry's productivity is the same as it was in 1977. Last year income from shoes in Elche amounted to 55 billion pesetas (about \$35 million), of which about 11 billion pesetas was from exports.

According to Antonio González, an Elche labor union official, about 200 illegal small shoe workshops employ 6,000 workers — a figure close to the shoe sector's registered unemployed workers.

Mr. González, who is also an Elche city councilman, said the unemployment figure was deceptive because it did not take the "black" economy into account. Mr. González noted that Elche, with 170,000 inhabitants and 80,000 registered vehicles, has one of the highest car ownership levels in Spain.

The area's shoe industry consists primarily of small workshops supplying larger companies that have established trademarks and major distribution networks. Many of these small firms declared bankruptcy toward the end of the 1970s, then started up again without officially registering.

They could hire and fire according to market requirements, circumventing Spain's stringent job protection laws, and avoid high social security payments. In many cases, employees of such "submerged" firms are also collecting unemployment benefits.

Such irregularities have usually been ignored but recently 50 small Elche workshops were investigated by state employment service officials because they were not registered. Twenty of them agreed to operate within the rules. Proceedings against the 30 others were halted.

The black economy is also believed to be well entrenched in Catalonia, where politicians have suggested that the government should declare an amnesty for "illegal" employers. It is also said to be widespread in Madrid's industrial suburbs.

,000 Have Been Executed in U.S. Since 1930

Leslie Maitland Wexner

New York Times Service

ASHINGTON — Nearly 15,000 convicts have been executed in the United States since 1930, and 115 of the death sentences carried out in five states, according to a Justice Department

states with the highest number of executions since 1930, when death-knocking began, are New Georgia, Texas, California, North Carolina, each with more than 250.

A Supreme Court ruled on the constitutionality of the death penalty in 1972 and voided all death sentences then pending, after the states began revising statutes to conform to the Supreme Court's ruling.

ce then, the Justice Department released on Sunday the pace of state executions increased "as many inmates on row neared the end of a series peals and as the courts be increasingly reluctant to

sanction a lengthy appeals process in capital punishment cases."

There were 1,202 inmates on death row across the nation at the end of 1983, a record number, and a 13-percent increase over 1982, the Justice Department said.

The study, by the Bureau of Justice Statistics, found that there were five executions in 1983, and nine so far this year. More than 20 prisoners have been executed since 1977, it said.

Last year 252 people were sentenced to death, 10 percent fewer than the 281 sentenced in 1982.

Almost two-thirds of those on death row are in the South, with the greatest concentrations in Florida, Texas and Georgia. About 21 percent of prisoners sentenced to death are in the West, with 149 in California.

The study says that 11 percent are in prisons in the North Central states and 3 percent are in the Northeast.

Thirty-three of the 38 states that

authorize the death penalty had prisoners on death row at the end of last year, more states than ever before, according to the study.

But it said no U.S. federal court had imposed a death sentence since before 1977. According to the American Civil Liberties Union, the last execution by the U.S. government was carried out in 1963.

The study found that "since 1978, the proportion of death row inmates who were black has remained about two in five." It said "blacks also amounted to about two in five inmates receiving new death sentences in 1983."

The question of potential racial bias in sentencing was acknowledged by the Supreme Court in December when it granted a stay of execution to a prisoner in Georgia so the issue of discrimination in Georgia's sentencing could be studied.

The court said it was deferring ruling on the defendant's claims of

racial discrimination until the U.S. Court of Appeals for the 11th Circuit could rule in a related case on whether statistical evidence of sentencing patterns in Georgia showed the system to be racially biased.

Double Execution Delayed

Florida officials say they will appeal a stay granted to one killer and proceed with preparations for the first double execution in the United States in 20 years, United Press International reported from Tallahassee, Florida.

David Leroy Washington, convicted of killing three people in south Florida, and Jimmy Lee Smith, who killed a woman and her 12-year-old daughter, had been scheduled to die in the state's electric chair Thursday morning.

Mr. Washington was granted a stay Saturday by a Dade County circuit judge pending a new hearing. It was thought Mr. Smith might also win a stay.

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TUESDAY, JULY 10, 1984

FUTURES AND OPTIONS

NYSE's Problem Child Pleads to Leave Its Home

By H.J. MAIDENBERG

New York Times Service

NEW YORK — Even before the New York Futures Exchange was born on Aug. 7, 1980, its parent, the New York Stock Exchange, knew it would be a problem child.

For one thing, the futures exchange's initial products were financial futures copied from the successful Chicago markets and they quickly withered for lack of interest.

More recently, futures and options based on its parent's composite index have done much better, but their volume is still overshadowed by the more popular and liquid Standard & Poor's 100 options and 500 futures traded on Chicago exchanges.

But the biggest problem facing New York is that many frustrated members of the young exchange are pleading with its parent to let them leave and move in with the Commodity Exchange, the biggest rival futures and options market.

"Most people upstairs on the stock exchange over want to have anything to do with futures from the start and while it is true that they keep giving the bulls, they continue to withhold business from us," said Scott Allen, whose views were echoed by many other floor traders on the futures exchange last week. "We don't want to be in the stock exchange. We want to be in the Comex."

Meanwhile, Mr. Allen said, "1,800-odd people on the futures exchange, who are able and willing to take risks, have their hands tied."

An outside broker's view came from Howard M. Brenner, executive vice president of Drexel Burnham Lambert Inc., which is seated on all stock and futures exchanges. Noting that as a broker he tries to find the most liquid market for his clients, he said:

"NYSE never lived up to its potential from the start. It needs innovative products to bolster volume, which would increase the appeal of its members. Capital goes where the volume is. It's a chicken-and-egg situation, as simple as that. Moving in with the Comex could provide both the necessary volume and capital."

Lewis J. Horowitz, the futures exchange's president and considered by many as the man in the middle of the conflict, observed diplomatically:

"We have been holding talks with the Comex, but the issues are too complex. It is not easy to satisfy everyone. This itself takes time. Meanwhile, our business has been picking up and we do hope to have some new products, such as futures based on the commodity Research Bureau index, in due course."

John J. Phelan, chairman of the NYSE, offered another aspect of the problem:

"It's a space problem. We told the Comex, we have no space for them here. Over at the World Trade Center, Comex does 60 percent of the volume of the four exchanges there, but only has about a quarter of the floor space. Comex will have to find more space before NYSE or anyone else can move in there."

To which Alan J. Brody, Comex's president, said: "All I will say at this point is that we have met with the Big Board to discuss the possibility of a joint venture with its futures subsidiary. We have such an association would be in the best interests of all concerned, and that it is, unfortunately, to date we have not been able to work out our differences, but we will continue negotiating."

One prominent brokerage house executive, who asked that his name not be mentioned "because I have to live with all of them," summed up the problem as follows:

"NYSE was born because the Big Board's leadership missed the boat on stock options and also finally woke up to the fact that securities and futures markets are becoming one. But many people there never cared for it; some see NYSE as a useful vehicle to day, and there are those who think letting it go would be a loss of face."

Not all Comex members are interested in a linkage with the NYSE (Continued on Page 11, Col. 1)

"We want them to send business our way or let us move in with Comex."

Nigeria May Get Oil Quota Rise

But OPEC Assent
Seen as Unofficial

By Bob Hagerty

International Herald Tribune

VIENNA — Nigeria, straining under a huge debt load, is likely to get an official permission to raise its oil production moderately later this year, OPEC sources said Monday.

But ministers emerging from a meeting of the Organization of Petroleum Exporting Countries market-monitoring committee indicated that they would recommend no change in OPEC's official prices and production quotas.

While the organization sympathizes with Nigeria's plight it is not eager to reopen the divisive issue of production quotas. "Everybody has a claim," an OPEC source noted. Thus, he said, OPEC would prefer to turn a blind eye to higher Nigerian production.

The market-monitoring committee — composed of the United Arab Emirates, Indonesia, Algeria and Venezuela — will make its recommendations to a meeting of all 13 OPEC oil ministers that opens here Tuesday.

Ministers attending Monday's session emphasized the need for the cartel to tighten its discipline in the face of a weak oil market. Industry analysts estimate that OPEC's oil production has totaled 18 million to 18.5 million barrels a day in recent months, compared with the group's official ceiling of 17.5 million.

The excess production helped send prices tumbling last month on the spot, or non-contract market, which accounts for an estimated 40 to 50 percent of world oil purchases.

"The crucial thing is production," Subroto, the Indonesian oil minister, told reporters.

Venezuela's Minister, Arturo Hernandez Grisard, conceded that some OPEC members were producing "slightly more than their quotas. But, he said, there is no danger of a collapse of prices."

Nigeria is pressing for an increase of about 500,000 barrels a day in its quota, currently 1.3 million barrels. It was not clear (Continued on Page 9, Col. 7)

Feldstein, Bound for Harvard, Gives Last Official View of Washington

By Peter T. Kilborn

New York Times Service

WASHINGTON — Martin S. Feldstein is packing up, loading such documents as his 1984 "Economic Report of the President," most of which Treasury Secretary Donald T. Regan advised the Senate to "throw away."

He is putting away files, books, photographs, mementos and 21 newspaper clippings. One shows him pulling his car one way around a racing shell while the rest of the administration pulls theirs the other, and another shows him at the blackboard writing repeatedly "2 plus 2 equals 5."

After barely two years, Mr. Feldstein, 45 years old, will vacate his seat Tuesday as chairman of the President's Council of Economic Advisors. He is leaving not at the president's behest, but at the behest of Harvard University, whose tenure regulations limit professors' leaves of absence to two years.

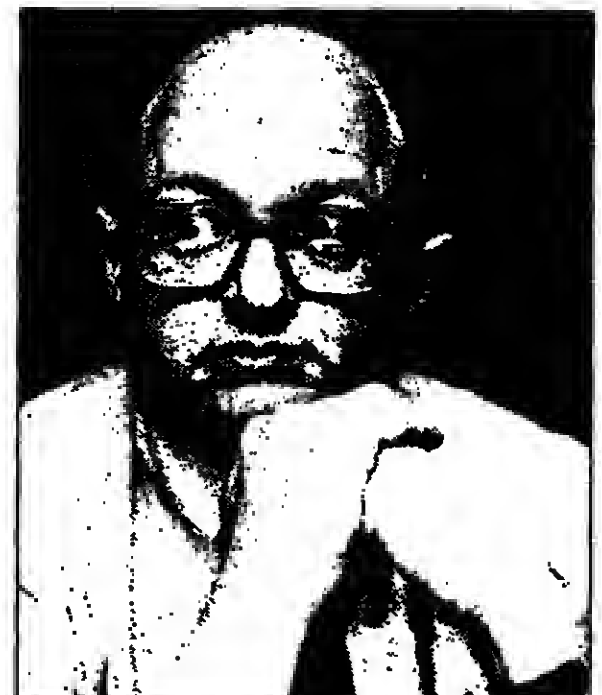
As he prepared to leave, Mr. Feldstein was interviewed on the lessons he learned in government.

Q. You're going back to teach Economics?

A. Right, but they now call it 10. It's inflation.

Q. What did you learn?

A. I guess one of the things that comes home frequently here is that you don't propose good things because the congressional process is likely to distort them. There are many times when you don't propose good things because no legislation is better than



Martin S. Feldstein

bad legislation, and any proposal runs the risk of being turned into bad legislation.

Q. Did it surprise you, the extent to which a decision, once made, gets continually subjected to second-guessing and efforts, even on the inside, to repeal it quietly?

A. Yes, and I suppose a part of my surprise is this distinction between the president and the White House. Most people on the outside think the White

House is the real decision-maker. In fact, the president is the one who makes the decisions. (Continued on Page 9, Col. 1)

Dollar Reaches Records; Gold Continues Slide

Compiled by Our Staff From Dispatches

LONDON — The dollar hit record levels against several major currencies Monday but slipped back later against some currencies.

Gold, which hit a two-year low Friday, continued to slide.

In London, the pound opened at \$1.3125, down from Friday's final \$1.3155, and the highest ever for the dollar against the British currency. Rumors of a dock strike contributed to the pound's decline, but it recovered slightly to close at \$1.3045.

Dealers in Tokyo said recent lower U.S. unemployment figures and continued anticipation of higher U.S. interest rates buoyed the dollar to its close of 341.95 yen, up almost one yen from Friday's final 341.00.

The dollar opened in Paris at a record high 8.7065 French francs, up from Friday's final 8.6785. It continued to climb, closing at 8.73 francs.

In Milan, the dollar broke its record fixing set at the close of trading Friday, opening Monday at 1,742.25 Italian lire, but closing at 1,736.50.

The dollar surged to a 10-year high of 2.8445 against the Deutsche mark at the official Frankfurt fixing Monday, up from 2.8298 DM on Friday. It continued to rise, closing at 2.8425 DM.

The West German central bank intervened, analysts said, selling \$72.3 million at the fixing after pumping \$50 million into the market on Friday.

But in New York, after matching January's 10-year high of 2.8460 DM, the dollar retreated at mid-afternoon as banks started to unwind long positions toward the end of the European trading day, dealers said.

"Some traders lost their nerve because of the pace of the dollar's advance and cut back long positions, but the fundamentals still favor the [U.S.] currency," one trader said.

In New York, the dollar slipped to 2.8165 DM in mid-afternoon from 2.8370 Friday. The pound, which touched a record low of \$1.301 in New York, recovered to \$1.306, after profit taking and suspected Bank of England support.

The franc strengthened to 8.63 from Friday's 8.7025.

Gold in London weakened slightly from the two-year low of \$341.50 an ounce recorded at the close of trading Friday, opening Monday at \$341.25. Bullion in Zurich opened at \$345.45 an ounce, down \$2 from Friday's final \$347.50. The morning fixing in London was \$332.50.

Traders attributed a bullish sell-off to a growing perception that high levels of inflation are not likely to be rekindled soon.

For example, no price changes were expected to emerge when the Organization of Petroleum Exporting Countries meets Tuesday.

In addition, with the dollar soaring and U.S. interest rates remaining high, there is little reason to invest in gold, which pays no interest.

In Zurich, gold opened at a bid \$345 an ounce, down \$1.50 from Friday. By mid-morning bullion had tumbled back to \$332.

(UPI, Reuters, AP)

Germans Drop Optic-Fiber Plan

Reuters

STOCKHOLM — Plans for an optic-fiber factory in West Berlin involving five companies have been abandoned after it became unlikely that a cartel office ruling against the project could be reversed.

Siemens AG said Monday.

The chairman, Karlheinz Kaske, said that the former economics minister, Otto Lambrecht, had made it clear the Federal Cartel Office decision was unlikely to be overturned by ministerial decision.

Siemens partners were Standard Elektrik Lorenz AG, AEG-Telefunken AG, Philips Kommunikations-Industrie AG and Kabelmetal Elektro GmbH. The five partners had planned to produce 100,000 kilometers (62,000 miles) of optic fiber a year to meet expected growth in domestic demand.

IMF Chief Answers Policy Criticism

Reuters

WASHINGTON — The managing director of the International Monetary Fund, Jacques de Larosiere, said in a report published Monday that the agency is opening the way to Third World countries for "vigorous and lasting growth."

He also said the decline in Latin American economic growth began before the IMF became involved.

"It is not, therefore, the prescriptions of the fund that have stymied expansion in Latin America but the impact of the world recession," he wrote in an IMF publication.

His comments seemed designed to head off criticism of IMF policies in Latin America, where some nations, and particularly Argentina, are challenging the fund's traditional formula for economic recovery.

Critics in the region, which owes about half the Third World's \$700-billion debt, have been attacking the two burdens of rising U.S. interest rates and IMF programs for economic adjustment, which include austerity measures.

But Mr. de Larosiere warned that "economic adjustment is inescapable," and while the debt crisis has worsened the situation, debtor nations have to face the consequences.

"The consequences for economic activity and employment and the sacrifices involved would have been far harsher than what actually happened in 1983," Mr. de Larosiere said.

He also maintained that IMF policies helped these nations curb balance of payments deficits, improve domestic savings and investment and renew economic growth.

U.K. Base Rate May Rise More

Reuters

LONDON — Clearing bank sources said Monday that a further rise of at least half a point in British bank base rates is possible before the end of the week if Monday's increase to market interest rates is sustained.

The clearing banks on Friday increased base, or minimum, lending rates to 10 percent from 9 1/4 after money-market rates had soared as the pound weakened.

On Monday, the three-month interbank rate, an indicator for Barclays Bank PLC when setting its base rate, rose to nearly 11 percent, up 1/2 point from Friday's rise in the base rate.

The merchant bank Charterhouse Japhet PLC raised its base lending rate Monday to 10 1/4 percent from 9 3/4 percent, leapfrogging Friday's increase.

U.S. Aide Probes Ways To Attract Bond Buyers

By Robert D. Hershey Jr.

New York Times Service

WASHINGTON — Beryl W. Sprinkel, under secretary of the Treasury for monetary affairs, was to travel to Wall Street on Monday to find out from market professionals how much the government could save by planning its securities issues to appeal to foreign buyers.

The key to a potentially huge expansion of the market for the Treasury's notes and bonds is a provision in this year's tax legislation that would wipe out the 30-percent withholding levy on interest payments. At the same time, the bill permits the Treasury to again sell its securities in bearer form. Bearer bonds, as opposed to those that are registered in a specific owner's name, are payable to anyone who presents them for payment.

ment of interest and principal. The 1982 tax law outlawed bearer bonds, but the new bill authorizes them if they are sold to certifiably tax-exempt foreign investors.

Among the things Mr. Sprinkel wants to learn is how much yield foreign buyers are willing to give up to preserve their anonymity. It has been estimated that the Treasury could save 50 basis points — one-half of a percentage point, John J. Niehaus, a Treasury official, says. "I've heard as low as 25 and as high as 75."

In meeting with the government and Federal Agency Committee of the Public Securities Association, Mr. Sprinkel wants more information about the preferences of European investors so the Treasury can decide whether to take the trouble to market special issues for them. Meanwhile, the Treasury is trying



Beryl W. Sprinkel

ing to untangle the tax law to make a ruling on the question of backup withholding, which is now normally required of people who do not identify themselves, usually by providing a Social Security number.

A decision on these issues, he added, can be expected in about a month.

Hong Kong Stock Prices Are Continuing to Slide

Analysts Cite Fears About Colony's Political Future, Rising Interest Rates

By Dinah Lee

International Herald Tribune

HONG KONG — Hong Kong stock prices are continuing to slide, maintaining their second-quarter pattern. The Hang Seng index slid for the 11th consecutive trading day Monday, reaching 773.6, almost 50 points lower than Friday's close.

Analysts blame persistently high interest rates, which are impeding industrial and property-market recoveries, and continuing fears about the colony's political and economic future.

This trend contrasts sharply with the hopes expressed recently by Hong Kong's financial secretary, Sir John Bremridge. "With a little bit of luck," he said in a private conversation, "you could have the Hang Seng index up to 1,800 by this time next year."

"Luck" to Sir John and many others in Hong Kong can be interpreted to mean a breakthrough in talks between Britain and China over the shape of Hong Kong after 1997, the focus of concerns for investors and politicians alike.

A resilient export-led economy, and the carefully paced offering of new share issues have not been enough to offset political setbacks all spring.

In March, the Hang Seng index hit a 12-month high of 1,170. But the announcement that the huge trading and property company of Jardine Matheson & Co. was moving its holding company to Bermuda

sent the market plummeting to 1,014 in days.

In April, the British foreign secretary, Sir Geoffrey Howe, confirmed that Britain would cede sovereignty of Hong Kong to China in 1997. His announcement was followed by another big drop on the market. In one day, the Hang Seng dropped 45 points, to 1,070.

In May, the market proved as susceptible as ever. Rumors that China might station troops in Hong Kong after sovereignty was given back to China, contrary to previous Chinese assurances, pushed the market down 51 points May 7.

Later that month, 20 points were shed in only a few minutes when the Chinese leader, Deng Xiaoping, confirmed the policy on troops in a television transmission from Beijing.

Market volatility amid such political pressures dominates local trading.

An example of these frequent rumors with political overtones came early this month. Amid fears that Everbright Industrial Co., financed by China, might withdraw from a hotel development worth 380 million Hong Kong dollars (\$48.7 million), the Hang Seng index fell to 868.63 July 1, the lowest since December.

The company denied the rumor. It had been fueled by Everbright's announcement a week earlier that it would pull out of a 1-billion-dollar residential project planned

with International City Holdings Ltd.

An Everbright spokesman said in an interview that a third project, a resort complex in Macao, planned with two leading local businessmen, was also off.

Everbright's property agreements had been viewed by many in Hong Kong as attempts by Everbright's chairman, Wang Guangyong, a self-styled "Red Capitalist," to boost confidence in Hong Kong's future.

"I said last year around this time that adverse political announcements would act like inoculations on Hong Kong's investors, and have less and less effect on the market. Now I can only say that the market doesn't react quite so much as before," said David Tran, a director of Hoare Govett (Far East) Ltd., a London-based stockbrokerage firm.

Interest rates, under pressure since last October when the Hong Kong dollar was linked to the U.S. dollar, have risen to their highest level in two and a half years.

With the Hong Kong prime lending rate up to 17 percent as of last Friday, up from 8.5 percent March 12, the stock market's activity is understandably down. Local analysts say that rates may drop slightly soon, but that their continuing high level would contribute to a continuing slide in local share prices.

A third reflection of local market troubles has been the listless invest-

ment response to new offerings. Last year, some offers were from four to 80 times oversubscribed.

But this year, for example, the battery and audio-equipment maker, Gold Peak Industries (Holdings) Ltd., drew only 1.01 times its offer of shares at 1.50 dollars each.

CURRENCY RATES

Late interbank rates on July 9, excluding fees, of fixings for Amsterdam, Brussels, Milan, Paris, New York rates at 2:00 P.M.

	\$	£	O.M.	P.F.	ItL	Y.S.	S.F.	Yen
London	32.95	4.20	172.25	347.75	1.114	1.114	1.114	1.114
Paris	8.73	75.44	20.35	6.85	2.172	1.779	2.172	2.172
Brussels	24.25	2.75	32.61	1.631	0.848	4.925	1.188	1.174
Amsterdam	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Frankfurt	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Stockholm	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Copenhagen	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Norway	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Sweden	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Finland	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Switzerland	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Italy	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Spain	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Portugal	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Greece	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Turkey	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Japan	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
South Korea	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
India	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
China	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Hong Kong	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Taiwan	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
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Thailand	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Malaysia	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Singapore	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Philippines	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Indonesia	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Brunei	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Saudi Arabia	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
U.A.E.	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Qatar	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Oman	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Yemen	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Sri Lanka	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Bangladesh	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
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Nepal	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Bhutan	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Maldives	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Myanmar	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Laos	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Cambodia	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Vietnam	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
North Vietnam	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
South Vietnam	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Laos	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Myanmar	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
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Sri Lanka	1.265	2.252	37.40	179.35	0.633	26.22	72.13	21.82
Bangladesh	1.265							

BUSINESS ROUNDUP

Eastern Sets \$99 N.Y.-Florida Fare to Compete with 'No-Frill' Carriers

The Associated Press

NEW YORK — Eastern Airlines Monday announced a \$198 round-trip fare to an airport between New York and New

The move is part of a three-tier system of fares in the Northeast. The \$99 fare to an airport between New York and New

Eastern's vice president for said at a news conference.

The announcement was preceded by ads this morning in New York and Florida newspapers.

Eastern's move was unrelated to the suspension of service last week by Air Florida which filed for bankruptcy protection from its creditors, Mr. Nelson said.

As of July 16, he said, the \$99 fare will be available with advance ticket purchase and a minimum stay; the other fares will be \$119 each way on a round trip Monday through Thursday and \$139 Friday through Sunday, which requires staying over the first Sunday; the third fare of \$159 is wholly unrestricted.

Major airlines, including Eastern, now offer one-way fares of \$119 Monday through Thursday, and \$139 Friday through Sunday. Starting July 16, those fares will require a round-trip ticket with a weekend stay.

Mr. Nelson said the airline was spending an expense on effort to "defend and protect" its dominance of the Northeast-Florida market, invaded in recent years by People Express, Northeastern International Airways of Florida and American International Airways of Philadelphia, none of which existed before the airline business was deregulated in 1978.

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Eastern posted a \$183.7-million loss last year and has blamed curbing fares for many of its financial woes. Northeastern and People Express are both non-union airlines and their operating costs are lower than Eastern's.

Northeastern offers a \$79 one-way fare between South Florida and New York. Eastern officials said they will not match that fare.

Last Tuesday, Air Florida filed for protection from its creditors under Chapter 11 of the Federal Bankruptcy Act. All its planes were grounded and most of its 1,200 employees are out of work after the shutdown. The airline is negotiating with a bankruptcy court to get access to some of its cash.

A hearing was scheduled Monday before U.S. Bankruptcy Judge Thomas C. Britton in Miami district court for access to \$27 million more in accounts receivable. Air Florida has said that without the additional money, its reorganization process will be endangered.

In 1983, People Express earned \$10.4 million.

Northeastern and American International are privately held and do not make their results public.

In 1982, Braniff International collapsed and was not able to resume flying, as a restructured company, for two years.

Strong Growth Seen in Europe's Data Industry

The Associated Press

GENEVA — Annual revenues of the European electronic data industry are expected to exceed \$1 billion by 1985, according to a survey published Monday by Business International, a Geneva-based business analysis firm.

The survey estimated that revenues last year totaled \$700 million, up from \$532 million in 1982 and \$433 million in 1981.

While the European industry is smaller than its U.S. counterpart, expected future growth of 25 percent to 30 percent a year in the next few years will outpace the U.S. industry's expected annual growth rate of 23.3 percent, it said.

Nonetheless, a shortage of capital, the incompatibility of different systems, a lack of skilled personnel and an absence of strategic coordination could hinder the European industry's growth, it said.

De Beers Sales Up 7% in Half Year

Reuters

LONDON — De Beers Consolidated Mines Ltd. said Monday its Central Selling Organization's sales for the first half of 1984 rose 7 percent to \$945 million.

Nickel Giant Inco Expects First Profit in 4 Years

By Fred Langan

International Herald Tribune

TORONTO — Inco Ltd. has not made a nickel since 1980. But this year the giant Canadian nickel producer hopes to return to profitability.

Now it is suffering only from low metal prices, whereas in the early 1980s it also took massive write-offs on money-losing investments in a battery business in the United States and a nickel mine in Guatemala.

More recently, the company has been sticking to its primary business, mining nickel in Sudbury, northern Ontario, and at Thompson, northern Manitoba, a "pullback to basics," as its chairman, Charles Baird, put it.

It is also a major copper producer and it produces, as a by-product, significant amounts of silver, gold, platinum, palladium and other precious metals, "effectively for free," Mr. Baird said.

But it is the price of nickel, and to a lesser extent of copper, that determines Inco's profitability. Fifty percent of all nickel produced is used in stainless steel, for industries such as petrochemicals and aerospace.

The drop in capital spending in those businesses during the recession meant a drop in nickel consumption and massive losses for Inco.

In 1981 it had a loss of \$469.6 million; in 1982, of \$203.3 million; and in 1983, \$234.9 million. Inco's

loss in the third quarter of 1983 was the company's first quarterly loss to almost 50 years.

Mr. Baird feels the company is already making a trading or operating profit in the second quarter.

"If we have some reasonable price improvements we expect to be profitable at the bottom line in the third quarter," he said.

But a Toronto-based metals analyst, Robert Buchanan of Baldwin, Brown, Misker, disagreed. He said the nickel market looked as if it was taking off at the start of the year but has since eased off.

"Inco is not going to be in a profitable position this year," he predicted. "If the volumes stayed where they are and the price was up, Inco would be there. But not this year."

Another analyst said he felt capital spending would increase in the second half of the year and that would mean rising nickel and copper prices.

"We think Inco is going to make big money next year," said the analyst, who did not want to be identified. He felt that by the spring the price of nickel will be \$2.75 and the price of copper will rise to 85 cents.

The price of nickel on the London Metal Exchange is currently about \$2.18 a pound, although Inco sells its nickel delivered for about 20 cents higher than the LME price. The price of copper is 60 cents a pound.

Since it started incurring losses,

Inco has raised \$205 million of equity capital, keeping the company from going further into debt.

It is currently filing a new share issue and the money raised, probably \$100 million, will be used to pay part of its \$400-million of floating-rate debt. Every percentage point rise in interest rates costs Inco an extra \$4 million a year.

The new issue, which will not be available in the United States, is unusual in that it will be of preferred shares convertible into nickel or copper, or, in effect, the cash equivalent of one of the metals as measured on the LME.

Despite its losses, Inco has continued to pay a dividend, although

it was cut drastically in the third quarter of 1981 from 18 cents quarterly to 5 cents.

The company wanted to continue dividends for a number of reasons, one being that institutions such as life insurance companies and pension funds in Canada cannot own shares in a company that does not have a steady record of paying dividends. Mr. Baird said there was also a psychological reason. "It was a reflection of the confidence that we would become profitable again," he said.

Total world nickel inventories are now at about three months demand. According to Mr. Baird, "that is about the lowest level the industry can operate at."

Nigeria May Get Unofficial Quota Rise

(Continued from Page 7)

though, whether Nigeria would insist on an immediate increase.

After overproducing in the first quarter, Nigeria cut its production below its quota in the second quarter. Oil men say that the Nigerians have been unable to produce their full quota recently because their oil storage tanks are full.

Some oil analysts believe that demand for OPEC oil will rise as high as 18.5 million to 19 million barrels a day late this year. That would present OPEC with the delicate problem of deciding how to parcel out the extra production.

Saudi Arabia, OPEC's biggest producer, is widely believed to have promised support for a higher Nigerian quota when conditions permit.

Satisfying Nigeria could prove crucial to OPEC's effort to prevent a further decline in oil prices. In February 1983, Nigeria broke ranks with OPEC and cut its prices to compete with oil from Britain and Norway, which are not members of OPEC. A month later, the rest of OPEC was forced to accept a reduction in official prices of about 15 percent.

Feldstein, Harvard Bound, Gives Last Views

(Continued from Page 7)

House holds a certain view and they assume that that represents a president's view. When you get close to this to the process, it's clear that's not true at all. Different people within the White House have different views and use their position not only to try to influence the decision in the first place, but then, for example in negotiations with Congress, to undermine it.

Q. Can you give an example?

A. Well, a very clear example is the experience over monetary policy a couple of months ago when the prime rate went to 12 1/2

percent. The White House was very critical of the Federal Reserve. And by the middle of the week after that, the president made it clear that they were not speaking for him.

But during those few days, certainly the outside impression was that the White House, and that means the president, was critical of the Federal Reserve. I went to Europe the next week while the dust still was settling on that and the Europeans certainly didn't understand that White House criticism of the Federal Reserve meant something very different from presidential criticism.

Q. Do you think that was a particularly destructive period?

A. No. I would say it did some harm. It did push up interest rates. It did make the financial markets nervous. But I think the president turned it around quickly. You have to be watching pretty closely to see that, and the financial markets do watch closely.

I think it's quite clear that people who went out Fed-bashing overstepped their authority. They were contrary to the president's basic instincts and the advice he was getting.

Q. There's a sense that, whether by design or not, you've gone outside to make policy, by making speeches and so forth. Was that effective?

A. Well, they were never views that were contrary to those in the Oval Office. I think the main issue was about whether the budget deficit was a problem to be dealt with by fiscal action. And that issue got resolved. I thought, in January of 1983 when the president chose the contingency tax option that called for taxes if necessary.

I knew that was the president's position. It was not the position of some of the people, the Treasury in particular, who believed that taxes are always bad, no matter what the circumstances. And it was not the position of some of the political people in the White House. They say they believed that taxes at the appropriate time were a good thing, but nevertheless they thought that 1983 was the wrong time for it and 1984 was the wrong time for it.

Q. Is it important to have a Council of Economic Advisors? Couldn't its work be done by the Treasury or the Office of Management and Budget?

A. It could be, but then you wouldn't have a professional economist giving advice to the president. How well it worked would depend upon how professional or how good at economics the OMB director or Treasury secretary are. Some have regarded their jobs as more political and some as more substantive.

Somebody once said that a lot of what we do is to shoot down bad ideas, and there are endless numbers of bad ideas that get proposed. They come up in an informal way, and before they become serious administration proposals, we've managed to cut them off.

Q. Knowing what you do now of the real world, how likely is a major reduction of the deficit next year if President Reagan is re-elected?

A. I think there will be a major effort if he's re-elected. I think opposition to the fiscal steps within the administration has more or less collapsed. The arguments that you heard six months ago about being able to grow our way out of the deficit, about learning to live with deficits, you just don't hear anymore within the administration.

The president's own position about deficits is quite strong. Somebody suggested at one of the budget discussions that perhaps we could get it down by a variety of things to \$100 billion by the end of the decade. That was pretty good, only 2 percent of GNP, and we could declare victory at that. And the president just shot that down, making it quite clear that that was not his idea of economic virtue and that he didn't want to go through a second term in which that was the goal. He wanted to move to a balanced budget.

Q. You've been at the epicenter of the most powerful country on earth. What has that meant to you?

A. Obviously, there's a certain amount of exhilaration that goes with it all, a certain sense of being part of history and an excitement and a feeling that you're actually there and participating in these decisions as they're being made. That is an exciting experience.

The first thing you learn is that it's the job, not the man. Then you don't get confused about whether you're a different person.

The Daily Source for International Investors

ADVERTISING INTERNATIONAL FUNDS

Quotations Supplied by Funds Listed

7 July 1984

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on lower prices. The following market quotations indicate frequency of the funds (W) - weekly; (M) - monthly; (Q) - quarterly; (Y) - yearly.

AL MAL MANAGEMENT

(W) Al-Mal Fund S.A. \$12.80

BANK JULIUS BAER & CO. Ltd.

(W) Bond Fund \$12.80

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These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE

9th July, 1984

OSG MFG. COMPANY
(OSG Kabushiki Kaisha)

U.S.\$20,000,000

3 3/4 per cent. Convertible Bonds 1999

Nomura International Limited

Arab Company for Trading Securities (ACTS) SAK **Banque Bruxelles Lambert S.A.**

Banque Indosuez **Banque Paribas**

Crédit Lyonnais **IBJ International Limited**

New Japan Securities Europe Limited **Tokai International Limited**

All of these securities having been sold, this announcement appears as a matter of record only.

New Issue / June, 1984

FNMA **FEDERAL NATIONAL MORTGAGE ASSOCIATION**

\$6,000,000,000

Federal National Mortgage Association

Zero Coupon Debentures Due 2014

The Debentures do not pay interest periodically. The only scheduled payment to the holder of a Debenture will be the amount due at maturity. The Debentures are not redeemable prior to maturity. The Debentures are unsecured general obligations of FNMA, and do not contain provisions permitting the holders to accelerate the maturity thereof. The Debentures will be issued both as registered Debentures end, at the option of non-U.S. persons, as bearer Debentures.

The Debentures will be issued with substantial "original issue discount". Upon payment at maturity, Debentures held by non-U.S. persons will be subject to a U.S. withholding tax on such original issue discount, unless the tax is not applicable due to a change in law or due to the availability of an exemption under a tax treaty. In addition, upon the sale of a Debenture prior to maturity or upon its payment at maturity, U.S. "backup" withholding may apply unless such withholding is repealed, required evidence of non-U.S. status is provided, or another exemption is available.

The Debentures are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than FNMA.

Salomon Brothers Inc
acting as Underwriter of the securities

Nomura Securities International
assisting the Underwriter in the distribution of the securities

Kingdom of Sweden

U.S. \$750,000,000

Undated Floating Rate Notes

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 9th July, 1984 to 9th January, 1985 the undated notes will carry an Interest Rate of 13 1/4% per annum.

Interest payable on 9th January, 1985 will amount to U.S. \$677.22 per U.S. \$100,000 undated Note.

Morgan Guaranty Trust Company of New York
London Agent Bank

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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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Dated 10th July 1984

New York Connecticut Florida Maine Maryland New Jersey Pennsylvania Washington D C

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SPORTS

Mets, Cubs on Top at Midpoint

United Press International
NEW YORK — The New York Mets and Chicago Cubs are fighting for the top spot in the National League East. They are tied for first place at the All-Star break, with both teams having a 48-36 record.

BASEBALL ROUNDUP

The Cubs are just a half-game behind the Mets with victories on Sunday. Both went into the All-Star break with records of 48-36. The Mets won 7-3, while the Cubs won 6-4. The Mets' victory was aided by a five-game series sweep of the Cincinnati Reds. Afterward, the Mets came out of the dugout and sang the national anthem. The Cubs' win was aided by a three-run home run by Jody Davis. The Cubs' record is now 49-37, while the Mets' record is 49-37.

Cardinals & Dodgers 6

In Los Angeles, Tom Herr singled home the tying run in the ninth and scored the game-winning run in the 12th as St. Louis rallied to down the Dodgers, 6-6.

Padres 4, Pirates 3

In San Diego, Dale Berra doubled home the tie-breaking run in the seventh and Pittsburgh went on to hold off the Padres, 4-3. The Pirates, completing a 4-13 road trip, are 15-34 away from home this season.

Royals 6, Orioles 1

In the American League, in Baltimore, Bud Black pitched a three-run homer to lead Kansas City over the Orioles, 6-1. Black (10-6) outdueled Dennis Martinez (2-5), who pitched 7 1/2 strong innings in his best outing of the season. Black gave up a home run to Cal Ripken Jr. in the 14th and first since June 16 in the fourth, and singles to Floyd Rayford in the sixth and ninth. He struck out eight and walked one.

Red Sox 3, Angels 2

In Boston, Reggie Jackson hit his 492nd career home run, a three-run shot, to support Tommy John's eight-hitter as California split a doubleheader by beating the Red Sox, 4-0. In the opener, Mike Easler's bases-loaded single with one out in the 10th lifted Boston to a 3-2 triumph.

Mariners 7, Blue Jays 1

In Toronto, Ken Phelps and Barry Bonnell drove in two runs apiece to highlight a four-run fifth that led Seattle to a 7-1 bombing of the Blue Jays. Jim Beattie (9-8), who lasted only 1 1/2 innings Thursday night in a 10-4 loss to Toronto, worked six innings for the victory.

A's 3, Brewers 1

In Milwaukee, Mike Heath drove in three runs with a homer and a two-run single to lead Oakland to its fourth straight triumph, 3-1, over the Brewers. Larry Seitz (3-9) earned his second straight victory and Bill Canfield registered his 19th save with 2 1/2 innings of scoreless relief.

Twins 4, Yankees 3

In Minneapolis, Darrell Brown singled home Mickey Hatcher from third with one out in the 10th to enable Minnesota to stave off New York, 4-3.

White Sox 9, Indians 8

In Chicago, Jerry Hairston ignited a four-run eighth with a pinch-hit homer and Harold Baines capped the inning with a three-run shot as the White Sox rallied to edge Cleveland, 9-8. Chicago has won seven in a row.

Rangers 9, Tigers 7

In Arlington, Texas, Bobby Jones, Dwayne Scott and Buddy Bell drove in two runs apiece to back the combined pitching of Frank Tanana and two relievers as Texas downed Detroit, 9-7. Tanana (9-8) recorded his first victory since June 18. Dave Schmidt worked the ninth to gain his fifth save of the year. (UPI, AP)



Philadelphia's Kelvin Bryant fumbled twice on this play (he recovered the first and lost the second in the end zone), but rushed for 152 yards and two TDs overall as the Stars beat Birmingham, 20-10, and advanced to the USFL's title game.

Stars Win to Gain Final

The Associated Press
PHILADELPHIA — Kelvin Bryant rushed for 152 yards and two touchdowns as the Philadelphia Stars took advantage of early mistakes by the Birmingham Stallions to roll to a 20-10 victory Sunday and earn their second straight championship berth in the United States Football League playoffs.

USFL PLAYOFFS

The Stars, who lost the 1983 title game to the Michigan Panthers, 24-22, will take an 18-2 record — including two playoff victories — into Sunday's championship game against the Arizona Wranglers.

Philadelphia intercepted quarterback Cliff Stoudt (who was playing with a bruised shoulder) three times and recovered two Stallions fumbles en route to a 20-0 halftime lead. The points came on two Bryant touchdowns and two field goals from David Trout.

The Stars outgained the Stallions by 272 yards to 72 in the first half, doing what Birmingham crossed mind only once.

Bryant gave the Stars a 7-0 lead on a first-quarter burst with 6:22 left in the first quarter. Three minutes into the second quarter the Stars' Antonio Gibson recovered a fumble by Birmingham running back Joe Cribbs at the Philadelphia 40-yard line. On the first play from scrimmage, Bryant ran 34 adventurous yards, losing the ball once

VANTAGE POINT/Thomas Boswell

The Yawn-Party Lawn Party

Washington Post Service
LONDON — Be glad you didn't sleep all night in the Church Road and then stand all day in the blazing sun so you could cop a front-row standing room seat for Sunday's Wimbledon men's final.

Be glad you didn't hop out of your taxi and pay the going rate of £1,000 (about \$1,500) to a scalper for a pair of Center Court tickets.

Be glad you didn't get the seat behind Telly Savalas's head and be doubly glad you didn't sit in the Royal Box, where you have to wear your coat and tie until the top guy in the pecking order strips.

Be glad you aren't the man in charge of NBC television who has to explain to his advertisers why he lined up six hours of live Wimbledon coverage for a men's singles match that lasted 80 minutes.

That's four minutes less than the women's final on Saturday and about two hours less than a great match.

Breakfast at Wimbledon turned out to be continental, says Ed Pope of The Miami Herald.

In fact unless you're a freak for tennis or snobbery, be glad you didn't bother to come to Wimbledon at all this year.

They've been holding this lawn party since 1877 and if you had to miss one of them, this was the year to skip the hay fever shots and stay home and do something really fun, like wash the dog.

These will go down as the redundant championships. All five of the major titles — men's and women's singles, men's and women's doubles and mixed doubles — were won by exactly the same people as last year. That never happened before. And you better believe Wimbledon hopes it never happens again.

There were 443 pro matches played here on 18 courts over a 14-day period and it would be stretching a point only slightly to say that nothing happened.

Above all, be glad you aren't Jimmy Connors. Not hot for you out there Sunday, Jimbo? "Yeah, there was a lot of heat out there," he said.

Forehand volley. Backhand volley. Ace to forehand down the middle. Service winner "deep to the

forehand corner. Game, Mr. McEnroe.

Backhand pass down the line. Forehand cross-court pass. A hard service return at the feet forcing a volleying error.

A smoking forehand service return winner past Connors's lunging forehand. Game, Mr. McEnroe, again.

That's how long the Wimbledon final lasted. Four minutes. In that sliver of time, John McEnroe realized that every shot in his varied arsenal was available at his finger tips. And Connors knew retaliation was a mine.

That's when McEnroe knew he was going to play "probably the best match of my life..." overpowered him.

That's when Connors suspected "it was just one of those days."

All five of the major titles were won by exactly the same people as last year. That never happened before. And you better believe Wimbledon hopes it never happens again.

What the hell, I gave it everything I had.

Every reporter has his own private oyster. At 2-0 in the first set, mine said:

"A different McEnroe — totally composed. Hitting out with contempt. Like he's so confident he doesn't even know Connors is there."

Such early match trends often change. Not this time. McEnroe won 13 of the day's first 15 points and 13 of its first 15 games in his 6-1, 6-1, 6-2 success.

Connors, the greatest return-of-serve man of his era, could manage only 11 points in 11 games against McEnroe's left-handed serve. That's 44-11 in points when McEnroe had the ball in hand.

"McEnroe served as well as he ever has," said Connors, who wore a goofy gold-and-silver sequined bow tie to his press conference as a silly ice-breaking gesture after the worst big-match embarrassment of his life.

It is the mixed blessing of the sport that it has two champions in their prime who are a delight to aficionados but, perhaps, a damper on general enthusiasm for tennis. McEnroe is 34-1 this year while Wimbledon women's champion Martina Navratilova has been beaten only twice in 18 months.

Neither has the public following of the old favorites they beat in the finals here — Connors and Chris Evert Lloyd.

For the moment, McEnroe and Navratilova are playing out against their peers but against the ghosts of tennis history. They are playing not so much to win matches as to create vivid memories of their excellence.

That is a formidable enterprise. But at times it takes a second cup of coffee to watch them at their work. If they haven't finished before you can get to it.

SPORTS BRIEFS

Week Shatters Record in 6-Day Run

NEW YORK (AP) — Yannis Kourou of Greece shattered the world 6-day record in the New York Six-Day Run at Downing Stadium, which ended Sunday. Kourou ran 635 miles, 1,023 yards (1,023.85 kilometers), king the record of 623.74 miles, set in 1983 by George Littlewood of Great Britain. Kourou's time was 28 hours, 28 minutes and 28 seconds. He also set the modern record of 576 miles, established two years ago by Englishman Tom O'Reilly. Trailing Kourou was Rantonio de la Cruz of Colombia, who finished second, 41 seconds behind, followed by Pedro Delgado of Spain at 1:01 behind.

Kourou was not expected to fare well in the mountain leg, hung on to a 19th, 4:10 behind Miller and kept the leader's yellow jersey.

Watson Beats Norman in Golf Playoff

AK BROOK, Illinois (AP) — Tom Watson dropped a birdie putt on the third hole of a sudden-death playoff to defeat Australian Greg Norman and score his third victory of the year Sunday in the Western Open golf tournament.

Watson, with a closing 70, and Norman, a 71, finished the regulation 72 over the Butler National Golf Club course in 280, eight shots under par. Both parred the playoff's first two holes. On the third, the par-4 No. 10, Watson's 25-foot, breaking right to left, was center-perfect. Norman's closing 70 gave him third place with a 283 total. Scott Finckh finished 72/284 and D.A. Weir finished 73/285. T.C. Chen was the only man under par at 76/287. Larry Nelson, tied with Watson for third (a single shot back) going into the final round, collapsed with an 80.

SCOREBOARD

Baseball

League	W	L	Pct.	GB
NATIONAL LEAGUE				
Atlanta	47	34	.580	0
Boston	46	35	.568	1
Chicago	45	36	.557	2
Cincinnati	44	37	.545	3
Cleveland	43	38	.531	4
Los Angeles	42	39	.519	5
Montreal	41	40	.508	6
New York	40	41	.496	7
Pittsburgh	39	42	.484	8
San Diego	38	43	.472	9
St. Louis	37	44	.460	10
Tampa Bay	36	45	.448	11
Washington	35	46	.436	12
AMERICAN LEAGUE				
Baltimore	47	34	.580	0
Boston	46	35	.568	1
Chicago	45	36	.557	2
Cleveland	44	37	.545	3
Los Angeles	43	38	.531	4
Minnesota	42	39	.519	5
New York	41	40	.508	6
Oakland	40	41	.496	7
Seattle	39	42	.484	8
Tampa Bay	38	43	.472	9
Toronto	37	44	.460	10
Washington	36	45	.448	11
White Sox	35	46	.436	12

Today's Line Scores

Team	Score	Team	Score
Atlanta	4-3	Los Angeles	3-2
Baltimore	5-4	Montreal	2-1
Boston	6-5	New York	1-0
Chicago	7-6	Pittsburgh	4-3
Cincinnati	8-7	San Diego	5-4
Cleveland	9-8	St. Louis	6-5
Los Angeles	10-9	Tampa Bay	7-6
Montreal	11-10	Washington	8-7
New York	12-11	White Sox	9-8
Pittsburgh	13-12	Yankees	10-9
San Diego	14-13		
St. Louis	15-14		
Tampa Bay	16-15		
Washington	17-16		
White Sox	18-17		
Yankees	19-18		

Golf

Western Open

Player	Score	Player	Score
Tom Watson	280	Greg Norman	281
Scott Finckh	283	D.A. Weir	284
Larry Nelson	287	T.C. Chen	285
Mark O'Meara	288	John Cook	289
David Gilford	290	John Cook	291
John Cook	292	John Cook	293
John Cook	294	John Cook	295
John Cook	296	John Cook	297
John Cook	298	John Cook	299
John Cook	300	John Cook	301

Scandinavian Open

Player	Score	Player	Score
Tom Watson	280	Greg Norman	281
Scott Finckh	283	D.A. Weir	284
Larry Nelson	287	T.C. Chen	285
Mark O'Meara	288	John Cook	289
David Gilford	290	John Cook	291
John Cook	292	John Cook	293
John Cook	294	John Cook	295
John Cook	296	John Cook	297
John Cook	298	John Cook	299
John Cook	300	John Cook	301

Cycling

Tour de France

Stage	Winner	Time
1	Robert Millar	4:23.35
2	Robert Millar	4:23.35
3	Robert Millar	4:23.35
4	Robert Millar	4:23.35
5	Robert Millar	4:23.35
6	Robert Millar	4:23.35
7	Robert Millar	4:23.35
8	Robert Millar	4:23.35
9	Robert Millar	4:23.35
10	Robert Millar	4:23.35

Football

CFL Standings

League	W	L	Pct.	GB
NATIONAL LEAGUE				
Atlanta	47	34	.580	0
Boston	46	35	.568	1
Chicago	45	36	.557	2
Cincinnati	44	37	.545	3
Cleveland	43	38	.531	4
Los Angeles	42	39	.519	5
Montreal	41	40	.508	6
New York	40	41	.496	7
Pittsburgh	39	42	.484	8
San Diego	38	43	.472	9
St. Louis	37	44	.460	10
Tampa Bay	36	45	.448	11
Washington	35	46	.436	12
AMERICAN LEAGUE				
Baltimore	47	34	.580	0
Boston	46	35	.568	1
Chicago	45	36	.557	2
Cleveland	44	37	.545	3
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Tampa Bay	38	43	.472	9
Toronto	37	44	.460	10
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Herald Tribune

ART BUCHWALD

Secretary Jesse Jackson

WASHINGTON — The Reverend Jesse Jackson has indicated he would like to be secretary of state. He claims his recent meetings with leaders of left-wing and totalitarian governments is evidence of his diplomatic skills.

Maybe. But there could be an argument made that the reason he is welcomed by all the adversaries of the United States is because he is not secretary of state.

Let us suppose that Mondale wins and he appoints Jackson as his secretary of state.

"This is Secretary of State Jackson. I'd like to speak to Fidel."

A third-rate Cuban foreign office functionary says, "Castro is in a meeting. I don't know when he'll be out and he told me to tell you he has nothing to say to you, so stop calling him."

"But when I saw Fidel the last time he said my name was 'caca'."

"That was before you became secretary of state. Now that you have official status, he considers you part of the American pig policy to overthrow his revolution and continue CIA efforts to destroy our economy."

"How can he say that? I told him how impressed I was with the great strides he has made for peace, and if I had anything to do with it we would resume normal diplomatic relations."

"What did you want to talk to him about?"

"I'd like to arrange another political prisoner release, which will show Americans Fidel has the hu-

man rights of his people at heart."

"You must be joking. The only reason Fidel agreed to give you the ones he did was to put the screws to Reagan. He has nothing to gain by giving you any prisoners now. And he's going to take back the 1,500 criminals he sent you with the boat people either."

"But he promised he would."

"That's because you were a private citizen. Now he considers you just another pinstriped American diplomat who has lost touch with the people."

Secretary Jackson hung up.

Then he told his secretary to get President Assad of Syria on the phone.

"Mr. President," said Jackson. "This is Jesse. I want to meet with you about Lebanon."

"We have nothing to discuss," Assad said coldly. "Why did you give Israel 24 more F-15 fighter planes?"

"I didn't give them to Israel. President Mondale did."

"You're the secretary of state."

"The secretary of state doesn't make foreign policy. He just advises the president of the United States what it should be."

"So why should I see you if you have no power in stopping planes from being shipped to Israel? When I gave you Lieutenant Goodman you were your own man. Now you're just a flunky of Mondale's pro-Israeli policy. I should have suspected you'd sell out for a fancy title."

"I'm doing the best I can, but I not only have to deal with the president, but Congress as well."

"So who needs you?" Assad said. Jackson heard a click and the line was dead.

The secretary said to one of his aides, "Did Gromyko return my call?"

"No sir, and neither did Arafat."

"I don't understand it. When I had no official capacity, I could see anyone I wanted to. Now that I'm secretary of state no one will talk to me."

"Sir, I believe there is a simple explanation. Before you were a powerful world leader, the Third World thought was speaking for the American people. But since you became secretary of state, you've lost all of your credibility because you can no longer embarrass Ronald Reagan."



Chagall and his wife, Valentine, at his 97th birthday opening in Saint-Paul-de-Vence.

A Triple Play for Marc Chagall at 97

By Mary Ellen Bortin

SAINT-PAUL-DE-VENCE, France — The French painter Marc Chagall celebrated his 97th birthday in grand style, with three simultaneous exhibitions in France paying tribute to his life and work.

"I never thought I'd have the joy of seeing these pictures again," Chagall said Saturday, his blue eyes twinkling, as he toured an exhibition of his paintings in Saint-Paul-de-Vence, his adoptive hometown in the foothills above France's Mediterranean coast.

An exhibit in Nice of his stained-glass windows and sculpture also opened on Saturday, his birthday, while a collection of 200 works on paper opened at the Pompidou Center in Paris June 30.

Chagall's paintings portray a fantastic world peopled with animals, lovers, fiddlers, flowers, women and acrobats. His stained-glass windows decorate the United Nations building in New York and the synagogue at the Hadassah Medical Center in Jerusalem.

Born into a religious Jewish family in the Russian village of Vitebsk on July 7, 1887, he appears unscathed by the passage of time. His pace is slower, the artist's hand less steady, but he continues to work from morning to evening at the Provencal farmhouse where he lives with his second wife, Valentine.

At the exhibition at the Fondation Maeght

here, he was delighted to see his 1917 painting, "The Apparition," a Cubist study in blue and gray of the artist visited by an angel. "I haven't seen this in 60 years," he exclaimed, still clowning as he clung to the arm of Danielle Mitterrand, wife of the president of France, and chatted with the French culture minister, Jack Lang.

The cumulative effect of the three exhibits is an explosion of color infused with the tenderness and whimsy that have become Chagall's trademark.

"I brought my objects from Russia and Paris gave them their light," Chagall wrote in his autobiography, which he published more than half a century ago at the age of 44.

In his work the images drawn from life in the Jewish ghetto of his youth merge with the brilliant color that began to illuminate his paintings on his arrival in France in 1910.

He studied art in St. Petersburg, now Leningrad, and traveled to Paris when he was 23. Although he barely spoke French, he made contact with an international community of young artists.

Within a year he moved into La Roche, a Left Bank artists' colony where Amedeo Modigliani, Chaim Soutine and Fernand Léger were his neighbors. His friends included the poet Guillaume Apollinaire.

He spent four years in France and went on to Berlin, where he enjoyed considerable success with the German avant-garde, before returning to Russia, where his fiancée, Bella Rosenfeld, awaited him.

Embracing the ideals of the Russian Revolution, Chagall opened a "proletarian" art school in 1918. He soon turned to theater after losing favor with the official academy, creating stage sets and costumes for a Jewish art theater.

Chagall and his wife left Russia in 1922, spending a year in Germany, where he explored lithography before settling in Paris.

There his renown grew, bringing with it a stream of orders for work. He obtained French citizenship in 1937, but after World War II broke out, accepted the New York Museum of Modern Art's offer of temporary refuge in the United States.

In New York, Chagall rapidly became a part of the art scene and made friends with Igor Stravinsky, scoring a success with his background and costumes for the "Firebird."

He suffered a major blow when Bella died in 1944, and at the end of the war moved back to France alone. Since 1950, he has lived here, drawn to the brilliant Mediterranean light.

"We are all part of the circus," Chagall likes to say. At the retrospective exhibit at Saint-Paul-de-Vence, he waved away a swarm of photographers with a sweep of his Panama hat and seemed for a moment to resent the intrusion.

"But it's for you that they came," Lang said, and Chagall's face lit up — delighted still to be part of the circus.

PEOPLE
Life-Saving Marathon

A veteran South African marathon runner, Hannes Botes, ran the race of his life in a rocky 13-mile (20-kilometer) dash at midnight to get help for his son, who lay injured in a remote river canyon, Johannesburg newspapers reported Monday.

"It was the most difficult race of my life," Botes was quoted as saying. He took less than two hours Saturday to cover the rocky, steep course out of the Great Fish River Canyon to the desert village of Sishen, 32 miles north of the South African border in South-West Africa, or Namibia. Botes, a Cape Town teacher and nine-time veteran of South Africa's 52-mile Comrades Marathon, lit his way with a flashlight. His wife, Bets, said in a radio interview the family was on a four-day hike when 9-year-old Brandt, apparently walking in his sleep, climbed out of his sleeping bag and went over a cliff.

Rioting fans clashed with police, set cars on fire and stoned a police station Sunday before a Bob Dylan concert in Slane, Ireland. Police said 18 people were injured and the body of a youth was recovered from the Boyne river. The youth had apparently tried to swim across the river that runs beside the concert site, police said.

Nabila Khashoggi, 22, daughter of the Saudi Arabian arms dealer Adnan Khashoggi, is featured on the cover of July's Town and Country magazine, but the real interest is in the family's 270-foot (80-meter) yacht. It has a crew of 40, two 30-foot Riva speedboats and its own helicopter, and satellite and navigation systems to rival those of a destroyer. Nearly 70 people can dine in the salon, with meals prepared by three chefs, Saudi, French and Chinese, and there are 296 telephones, a discotheque and a cinema with a library of 800 films. One snag, according to Nabila, is that there's not enough couch space.

A crowd of 75,000 wine tasters in West Germany formed a line about 50 miles (80 kilometers) Saturday as a prelude to next year's 50th anniversary of the Weinstrasse, or Wine Road, which stretches through 35 towns and villages from Bockenheim through the Haardt mountains to Schweigen on the border with France. Enthusiasts

Mayo Edward Koch of New York signed a bill to name Manhattan street corner in honor of the Soviet dissident Andrei D. Sakharov and his wife, Yelena G. Bonner. Sakharov-Bonner Corner will be located on the southeast corner of East 67th Street and Third Avenue, not far from the Soviet mission to the United Nations. "As the Soviets pass this corner each day, let them read the names 'Sakharov' and 'Bonner,'" Koch said.

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